



Daily Report

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Daily Report

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General

Beijing Hopes Koreas Summit Held 'At an Early Date'

SK2106084494 Seoul YONHAP in English 0756
GMT 21 Jun 94

[Text] Beijing, June 21 (YONHAP)—The Chinese Government has expressed hope that inter-Korean summit talks would be realized at an early date and produce good results.

Noting that both South and North Korea have voiced a desire to hold the summit, a Foreign Ministry spokesman said Tuesday, "We hold this in admiration and hope that the talks would be realized at an early date and produce positive results."

Seoul Prepares for Possible Inter-Korean Summit

OW2006052294 Beijing XINHUA in English 0434
GMT 20 Jun 94

[Text] Seoul, June 20 (XINHUA)—South Korean President Kim Yong-sam today ordered government departments to begin thorough preparations for a possible summit meeting between the two sides of the Korean peninsula.

Kim gave this directive following a ministerial meeting related to the unification of Korea, presided over by Deputy Prime Minister and National Unification Board (NUB) Minister Yi Hong-ku here Monday [20 June].

Seoul has proposed to Pyongyang to meet on June 28 to prepare for the summit, which will be the first in half century.

Chances for an inter-Korean summit are at an all-time high with the top leaders of South Korea and the Democratic People's Republic of Korea (DPRK) agreeing in principle to the meeting.

Kim Yong-sam accepted the proposal by DPRK President Kim Il-song through the mediation of former United States President Jimmy Carter last Saturday.

Carter was in South Korea and the DPRK from June 13 to 18 in "a private capacity" and exchanged views with Kim Yong-sam and Kim Il-song respectively on the Korean situation, including the nuclear issue in the DPRK.

Kim Yong-sam, upon hearing of Kim Il-song's wish to meet with him at any time, anywhere, without pre-conditions, and at an early date, told Carter that he will accept the offer "without any hesitation."

The South Korean Government has begun comprehensive preparations for this meeting by forming a working-level task force headed by vice-minister of the national unification board, Song Yong-tae.

His group is making a variety of preparations, and is engaged in discussions to gather more details such as the time and place for the summit meeting.

Observers here said that barring any unexpected developments an inter-Korean summit is likely to occur in the near future. It would be the first in the half-century of national division on the Korean peninsula.

The nuclear dispute and other major issues existing between the two sides could then be discussed, providing historic momentum toward progress in inter-Korean relations, the observers added.

Seoul Proposes Meeting With DPRK Over Summit

OW2006050894 Beijing XINHUA in English 0426
GMT 20 Jun 94

[Text] Seoul, June 20 (XINHUA)—South Korea Monday [20 June] proposed to meet with the Democratic People's Republic of Korea (DPRK) on June 28 to discuss procedures for the inter-Korean summit meeting.

The proposal, contained in a message from South Korean Prime Minister Yi Yong-dok [name, title as received] to his DPRK counterpart Kang Song-san, said that a three-member delegation from each side headed by a deputy prime minister will meet at the truce village of Panmunjom.

South Korean President Kim Yong-sam accepted a proposal by DPRK President Kim Il-song to hold an inter-Korean summit through former president of the United States Jimmy Carter here last Saturday.

"I was authorized to let you know that we agree to the proposal as it is the most ideal event considering the inward and outward conditions of our country and the fervent wish of our people," Yi Yong-dok said in the message.

He noted that the burden on both South Korea and the DPRK has been getting heavier over the past half-century because of distrust and confrontation.

"We have been saying that a meeting of the top leaders is favorable if it would quickly dissolve the south-north tension aroused by the nuclear problem and settle a relationship of reconciliation and cooperation by opening the door to peaceful reunification of our country," Yi said.

Carter had visited South Korea and the DPRK from June 13 to 18 as "a private capacity" and exchanged views with Kim Yong-sam and Kim Il-song respectively on the situation on the Korean peninsula, including the nuclear issues.

Kim Yong-sam, upon hearing of Kim Il-song's wish to meet him at any time, anywhere without pre-conditions at an early date, told Carter on June 18 that he will accept the offer "without any hesitation."

Clinton: 'Hopeful Signs' in DPRK Issue

*OW2006165994 Beijing XINHUA in English 1612
GMT 20 Jun 94*

[Text] Washington, June 20 (XINHUA)—U.S. President Bill Clinton said here today that there are some "hopeful signs" in resolving the crisis with the Democratic People's Republic of Korea (DPRK) on nuclear issue.

"But we have to know what the facts are, and we will be attempting to determine that," Clinton told NBC program "Today".

Former President Jimmy Carter said in Washington yesterday he thought that the crisis with the DPRK is over and there are "no unanswered questions" following his talks with DPRK leaders on how to resolve the nuclear crisis.

"If North Korea wishes to talk and is willing to freeze their nuclear program," Clinton said, "then that would be a step forward."

"Now we have to verify that. So that's the question," Clinton stressed.

In answering a question, Clinton said that "I think what we have to do is to look to the present and the future and say we will evaluate words in terms of actions."

Clinton believed that the United States has the capacity, if the international inspectors and the monitoring equipment are going to be left in the DPRK, to evaluate whether the DPRK's nuclear program has been frozen.

Jiang Zemin Salutes Antarctic Expeditions

*OW2006142594 Beijing XINHUA in English 1400
GMT 20 Jun 94*

[Text] Beijing, June 20 (XINHUA)—Chinese President Jiang Zemin sent a salute today to Chinese and foreign expeditions to Antarctica on the occasion of the winter solstice festival which will fall on Tuesday [21 June] in the southern hemisphere.

Jiang sent the cable message to mark the tenth anniversary of China's sending independent expeditions to Antarctica.

Following is the full text of Jiang's cable message:

"At the time when you are celebrating the winter solstice festival, I, on behalf of the Chinese Government and the Chinese people and in the name of myself, extend cordial regards for you scientists, engineers and other technical personnel working selflessly in the long polar night. I wish you a happy winter solstice festival."

"Antarctica is the last continent on earth that still remains desolate and wild. Holding high the banner of peace, cooperation and friendship, you are fighting against the wind, snow and cold and have made constant progress in the scientific expedition, thus making great

contributions to exposing the secret of Antarctica, safeguarding the global ecological environment and promoting the common prosperity and progress of human society.

"Let me take this opportunity to salute expeditions from all countries who have contributed to probing into, studying and protecting Antarctica."

"The 1.1 billion Chinese people congratulate you for the abundant achievements you have already made and are looking forward to the even greater contributions you will make to peaceful utilization of Antarctica."

"May the winter go well for you and I wish you success in your work."

Qiao Shi Meets Interparliamentary Union Delegation

*OW2006143694 Beijing XINHUA in English 1415
GMT 20 Jun 94*

[Text] Beijing, June 20 (XINHUA)—A senior Chinese leader today expressed the hope that the Inter-Parliamentary Union (IPU) would continue to make efforts to safeguard world peace and promote the common development of mankind.

Qiao Shi, chairman of China's National People's Congress (NPC) Standing Committee, made the remarks when he met the IPU's secretary-general, Pierre Cornillon, here today.

During the meeting, Qiao praised the IPU for its positive role in maintaining world peace, promoting mutual understanding, exchanges and friendship among the parliaments of different countries since its foundation more than a century ago.

Qiao said the world today is still experiencing complex and profound changes and to seek detente, cooperation, development and progress is the common desire of all peoples. He expressed the hope that the IPU would make further efforts for world peace and human development.

Qiao said that the NPC, as a member of the IPU, pays much attention to the role of the IPU and has taken part in its activities.

He told the IPU head that the NPC regards the exchanges with foreign parliaments and the mutual understanding and friendly relations with foreign countries, peoples and parliaments as a major task.

It was revealed today that during the fourth world conference on women, which will be held here early next year, the NPC Standing Committee and the IPU Secretariat will co-sponsor a meeting of parliamentarians. The NPC will sponsor the 96th IPU conference in 1996.

Qiao told the guest that China, as the host country of that conference, will work hard to secure the success of the conference.

Cornillon believed that the two conferences, with the efforts of the Chinese people, will be successful. He also appreciated the NPC's role within the IPU.

Earlier today, Cao Zhi, secretary-general of the NPC Standing Committee, feted Cornillon and Christine Pintat, officer in charge of the women's program of the IPU. Zheng Yi, deputy secretary-general of the NPC Standing Committee, also had talks with Cornillon and his party.

NPC Vice Chairwoman Meets IPU Leader

OW2106064894 Beijing XINHUA in English 0628
GMT 21 Jun 94

[Text] Beijing, June 21 (XINHUA)—Chen Muhua, vice-chairwoman of China's National People Congress (NPC) Standing Committee, met with Pierre Cornillon, secretary-general of the Inter-Parliamentary Union (IPU), and his party here this morning.

During the meeting, Chen and Cornillon exchanged views on issues concerning a parliamentarians gathering, which is to be co-sponsored by NPC and IPU, on the occasion of the Fourth World Conference on Women here in 1995, and as well as the 96th IPU Conference here in 1996, which will be sponsored by NPC.

Cornillon and his party are here as guests of the NPC Standing Committee. They are scheduled to leave here for Xian and Shanghai this afternoon.

Official Views Draft Protocol for GATT Entry

HK2006063894 Beijing CHINA DAILY
(BUSINESS WEEKLY) in English 19-25 Jun 94 p
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[By Wang Yong: "China Prepares to Begin Work on Gatt Protocol"]

[Text] China is bracing itself for a long-awaited protocol later this month on its re-entry into the General Agreement on Tariffs and Trade (Gatt), according to a top Chinese official.

The draft protocol is to be submitted to the 17th session of the Gatt Working Party on China in Geneva.

The meeting could be a watershed in the prolonged negotiating process if it can clinch a comprehensive draft protocol on China's rights and obligations in the world trade body.

Gatt Director General Peter Sutherland has said the draft protocol must be available by June if China wants to rejoin Gatt and become a founding member of the World Trade Organization (WTO) before January 1, 1995.

"We're pleased that at long last we will have a comprehensive document to work on, said Long Yongtu, Assistant Minister of the Ministry of Foreign Trade and Economic Co-operation (Moftec).

"This by itself is a breakthrough in the negotiations," he said.

China applied to rejoin Gatt in 1986, when the Uruguay Round of Gatt talks were launched.

But a comprehensive protocol has failed to be shaped so far, due to argument over what steps China would need to take after re-entry.

Some Gatt members have demanded that China fulfill all Gatt rules before rejoining the world free trade body.

But Peter Sutherland described the request as unrealistic and unreasonable.

A positive signal came recently when the United States submitted its version of a draft protocol to Gatt following one by the European Union earlier this year.

The move is described by Long as helping to clear the way for preparing a comprehensive text to be discussed in Geneva.

The U.S. has taken note of China's demand for a transitional period during which it could fully meet Gatt requirements.

Long said China will try to be as flexible as possible in the coming rounds of negotiations.

"We will accept demands (from other Gatt members) only if they comply with the gradual process of China's economic reforms and its current economic level," he said.

During a round of Sino-U.S. negotiations in Washington earlier this month, the U.S. made many requests which included expanding Chinese market access concerning trade in services and allowing more companies to deal in foreign trade in China.

Long said China will consider them and accept those that are reasonable.

He insisted re-entry to Gatt is only part of China's economic reform plan.

And he said China wants nothing that would risk economic development and social stability. He said if Western nations come down too hard on China, progress towards a market economy will be disrupted.

Long praised Dorothy Dwoskin, the U.S. assistant trade representative, and her team for their hard work in Washington earlier this month to narrow the differences between China and the U.S. over the terms for China's re-entry.

He said the bilateral talks were positive and constructive, as they were free from political interference after U.S. President Bill Clinton decided on May 26 to renew China's most-favoured-nation status and delink it with human rights.

But Long said future difficulties may arise in the negotiations.

"So long as we have good will and a realistic approach, we can overcome many more difficulties," he emphasized.

Moscow, Washington To Tear Down Trade Obstacles

OW2006145194 Beijing XINHUA in English 1438 GMT 20 Jun 94

[Text] Moscow, June 20 (XINHUA)—Russian Foreign Economic Relations Minister Oleg Davydov is to hold talks with U.S. officials in Washington on the removal of obstacles in bilateral trade-economic relations, the official ITAR-TASS NEWS AGENCY said today.

The talks, scheduled to begin on Tuesday [21 June] within the framework of the joint Russian-U.S. Commission known as the Chernomyrdin-Gore Commission, will also focus on major U.S. investments in Russia.

Before leaving for Washington on Sunday night, Davydov told reporters that in 1993, the two countries' trade turnover increased by 1.2 times from 1,992 to 4.3 billion U.S. dollars.

Russia's exports increased considerably, trebling from the 1992 figure to 1,997 million dollars last year, while its imports diminished from 2883.7 million dollars in the same year to 2303.7 million dollars in 1993.

This enabled the two nations to reduce the traditional deficit in mutual turnover to a minimum, the minister pointed out.

He said that statistics for the first quarter of this year make it possible to conclude that this positive trend in the development of trade between Russia and the United States will continue in 1994.

The achievement of an approximate parity in trade between the two countries was largely due to the sharp cut in grain purchases, which earlier accounted for at least one half of all Russian imports from the United States, Davydov said.

As to the remaining obstacles in bilateral trade relations, he stated that they include the low competitiveness of many Russian goods, the barriers to exports of high-tech goods from the United States and the severe anti-dumping legislation.

Investment cooperation is playing an increasingly important role in economic interaction between the two countries, according to the Russian minister. U.S. firms are in the lead among Western investors seeking to set up joint ventures in Russia.

The Russian official said that there are 1,400 joint ventures in the country with U.S. capital investment, reaching nearly 400 million U.S. dollars.

Article Hails UNDP 1994 Report

HK1906073794 Beijing CHINA DAILY in English 18 Jun 94 p 4

[By Cai Hong: "UN Gives 'Security' a Global Definition"]

[Text] Security as used by the media often conveys protection from external aggression—protection from nuclear annihilation, for example—or it suggests blue-helmeted peacekeepers of the UN whose job it is to keep warring factions apart.

In a more fundamental sense, however, security means safety from some more common threats to human existence: hunger, disease, crime and repression. It means protection from sudden and damaging disruptions in the pattern of our daily lives whether the disruptions strike our homes, jobs, communities or the environment.

This is the wider concept of "security" embodied in the Human Development Report '94 of the United Nations Development Programme (UNDP).

At a recent UNDP workshop on the report held in Dhaka, Bangladesh, some 50 participants from East and South Asia maintained that the search for human security lies in development, not in arms.

Participants, including delegates from Bangladesh, China, India, Indonesia, Sri Lanka, the Philippines, Pakistan, Vietnam, Cambodia and Thailand, discussed the new role of the United Nations in meeting humanity's agenda not only for peace but also for development.

According to the report, development co-operation, which has tended to be limited to financial aid, should be broadened to include technical assistance and marketing strategies.

Dr. Mahbub ul Haq [name as published], special adviser to the UNDP administrator in New York, said the report is aimed at widening the UN's attention from only economic development.

Soaring Population

In consideration of the graver challenge threatening human security, a new development pattern is required that puts people at the centre of development and regards economic growth as a means, not an end.

According to the report, despite all of man's technological breakthroughs, he still cannot meet primary needs in many parts of the world. A fifth of the developing world's population goes hungry every night, a quarter lacks access to potable drinking water and a third lives in a state of abject poverty.

With these massive problems unresolved, the critical question of humanity's ability to survive on an environmentally fragile planet has become ever more urgent. The world's soaring population only adds to the urgency.

Demographers forecast in the report that by the middle of the next century, the world population may double while the world's economy quadruples.

At the same time, it is estimated that productivity of food production needs to triple since the source base for sustainable agriculture is being eroded.

The world's increasing energy requirements also must be met. But even at today's level of usage, the burning of fossil fuels threaten the global climate. The devastation of the world's forests and the loss of fauna wealth and diversity continue relentlessly.

"Against this backdrop of human distress" the report says, "we must seek a new concept of human security in the decades ahead."

The report attempts to propose a new model of sustainable human development that can guard the expanding frontiers of human security and provide a new framework of development co-operation that unites humanity with a more equitable sharing of global economic opportunities and responsibilities.

The report also put forward suggestions for the World Summit for Social Development scheduled for March 1995 in Copenhagen, Denmark.

The establishment of an Economic Security Council within the United Nations is a new, ambitious idea of UNDP.

Further, the UN agency "urges the international community to undertake a comprehensive review of the existing framework of international development, and, in this connection, to undertake studies on the practicability of such measures as establishing a global social safety net, introducing a world income tax, and creating a tax on foreign exchange movements as a potential source of financing for a more effective United Nations."

According to a UNDP official in India, China has made the most rapid progress in human development in Asia, followed by India and Bangladesh.

Over a long period of time, China has invested considerably in human development. Despite China's relatively low per capita income, it falls into the medium human development index (HDI)—ranking 94th in the world in 1992. HDI takes longevity, education and standard of living into account in its evaluation.

Yang Qingwei, a Chinese participant in the workshop, said that the picture of social development in developing countries is more or less the same.

"The solutions to their problems, however, is not necessarily the same," said Yang, deputy director of the Social Development Department under the State Planning Commission.

Robust Growth

The poorest of nations should depend on their own domestic economic reforms, supported by foreign aid.

Alluding to China, Yang reported that the past 15 years of reform and opening to the outside world have witnessed robust economic growth. The social sector, unfortunately, has developed slowly. Regional economic imbalance has increased.

Furthermore, the access to education varies from region to region. On average, 97 per cent of the nation's school-age children go to school. But the figure is low in the remote, poverty-stricken areas.

"China's social development mechanism fails to facilitate the transition to a market economy," Yang said.

He maintained that carefully directed State intervention will be required to ensure steadier human development and equitable distribution of social services because the market often doesn't do a good job directing resources in the social sector.

Yang called for reform of such social sector systems as pensions, unemployment compensation and industrial injuries compensation in order to achieve an improved level of social integration in the market economy.

China is sketching a blueprint for social development from 1995 to 2000. Local governments, for example, are required to define their lowest level of poverty and minimum wage.

Yang also reiterated that the demands of human development today should be linked with the exigencies of development tomorrow. He said governments should consider how decisions affecting the environment and natural resources will impact future generations to ensure they have opportunities similar to the ones previous generations have enjoyed.

Northeast Asia

DPRK's Kim Hopes for Summit With ROK President

OW2106092794 Tokyo KYODO in English 0840
GMT 21 Jun 94

[Text] Beijing, June 21 KYODO—North Korean President Kim Il-song hopes that a historic summit meeting with his South Korean counterpart Kim Yong-sam can be held in Pyongyang in August, the widow of former Japanese Prime Minister Takeo Miki said Tuesday [21 June].

Speaking with reporters at Beijing airport, Mutsuko Miki said she was invited to Pyongyang by the North Korean president on June 14 and met with him for two hours on Sunday.

"I don't remember clearly the date of the scheduled summit meeting that Kim Il-song referred to, but I believe he said August 17," Miki, 77, said.

The summit was first proposed by the North Korean president during talks with former U.S. President Jimmy Carter in Pyongyang late last week and relayed Saturday to South Korean President Kim Yong-sam, who readily accepted the proposal.

The mention of the August date and Pyongyang is the first proposal by either side of a time and place for what could be a historic meeting.

The south has proposed a preparatory meeting for the summit on June 28 at the heavily armed border crossing at Panmunjom and it is believed the North Korean side will put forward the August date at meeting, analysts said.

Kim Il-song was very upbeat in describing his meetings with Carter, which he called "very successful" and "in a very friendly atmosphere," Miki said.

"We would like to have more personnel exchanges with Japan and get along with Japan," she quoted Kim as saying, adding that he expressed a strong hope of establishing diplomatic ties with Japan.

Takeo Miki was prime minister from 1974 to 1976.

General Wang Ke Leads PLA Delegation to DPRK

OW2106083194 Beijing XINHUA in English 0812 GMT 21 Jun 94

[Text] Beijing, June 21 (XINHUA)—An eight-member delegation of the People's Liberation Army [PLA], headed by General Wang Ke, commander of the Shenyang Military Area Command, left here this afternoon on a friendly visit to the Democratic People's Republic of Korea (DPRK).

The delegation is invited by the department of DPRK People's Armed Forces.

ROK To Accelerate Economic Cooperation With DPRK

OW2006111094 Beijing XINHUA in English 1018 GMT 20 Jun 94

[Text] Seoul, June 20 (XINHUA)—South Korean ministers at meetings this week will discuss the issue of economic cooperation with the Democratic People's Republic of Korea (DPRK) in anticipation of the summit meeting between the leaders of the two halves of the Korean peninsula.

Government officials said here today that the aim of the proposed consultations among various South Korean ministries was to promote intra-Korean economic exchange, which has been stalled due to the row over Pyongyang's nuclear program.

The inter-Korean summit is likely to be held in the near future, with South Korean President Kim Jong-sam having accepted an invitation from DPRK President Kim Il-song conveyed to him by former U.S. President Jimmy Carter last Saturday [18 June].

The officials said that the first stage of ministerial meetings will involve the National Unification Board (NUB), the Economic Planning Board (EPB) and the Trade, Industry and Resources Ministry.

More detailed consultations will be held after the summit and an ensuing meeting between the prime ministers of South Korea and the DPRK, they said.

South Korea's private sector in particular is expected to accelerate direct trade and joint investment with the DPRK, if the summit takes place and the obstacles to economic cooperation are removed, the officials added.

ROK To Train Heilongjiang Research Personnel

SK1906045094 Harbin Heilongjiang People's Radio Network in Mandarin 1000 GMT 18 Jun 94

[Text] With the decision made by the National Federation of Medium Industry Cooperatives of ROK, the Heilongjiang International Project and Technology Cooperative Company can dispatch its research and advanced studies personnel to medium-sized and small enterprises of ROK. Both sides officially signed a contract on the morning of 18 June. The contract allows the company to dispatch 1,000 research and advanced studies personnel to the ROK, the term of research and advanced studies for these personnel is from one to two years, and the charges for research and training will be \$9.6 million. This is the largest accreditation of the province to foreign countries for personnel training. The fields of research and advanced studies include 31 professions and trades and the personnel come from 80 enterprises, who will be successively dispatched to the Korean cities of Seoul, Pusan, and others beginning July this year.

Inner Mongolia, Mongolia Sign Power Contract

SK2006023694 Hohhot NEIMENGGU RIBAO in Chinese 11 Jun 94 p 1

[Text] On 2 May, the power industrial administration of the Inner Mongolia Autonomous Region and the railway administration of the State of Mongolia signed a contract to provide Mongolia's Dzamin Uud City with 1,000 kw of electricity by the border trade and power industrial company of Erenhot City in Inner Mongolia. The design of this project passed group examination by the power industrial administration of Xilin Gol League on 28 May. Construction of this project formally started on 5 June.

Beginning from the Erenhot Power Transformer Substation, this 10-kilovolt power transmission line will be 9.1 km long from the substation to the boundaries of China and Mongolia and 6.5 km long within the territory of

Mongolia. The Mongolian side will make an investment of \$142,400 for the cost of the section within the territory of China. This will be the region's first line used to supply electricity to a foreign country.

Inner Mongolia Officials Meet With Mongolian Leaders

SK1806100594 Hohhot NEIMENGGU RIBAO in Chinese 11 Jun 94 p 1

[By Reporter Gao Ping (7559 1627) and Correspondent Liu Baozhu (0491 1405 3796); "Wang Qun, Wu Liji, and Qian Fenyong Meet With Guests of the State of Mongolia"]

[Text] On 10 June, at the auditorium of the government of the Inner Mongolia Autonomous Region, Wang Qun, secretary of the regional party committee, Wu Liji, chairman of the region, and Qian Fenyong, deputy secretary of the regional party committee and chairman of the regional committee of the Chinese People's Political Consultative Conference, met with the delegation of the Mongolian People's Revolutionary Party, headed by (Ulegi), member of the Political Bureau of the Leading Committee of the Mongolian People's Revolutionary Party and chairman of the Ulaanbaatar City Party Committee.

Wang Qun, Wu Liji, and Qian Fenyong extended a welcome to the guests of the State of Mongolia for their friendly visit to the region and briefed the guests on the region's situation in reform, opening up, and economic development.

While meeting with the guests, Wang Qun said: Since China and Mongolia are near neighbors linked by common mountains and rivers, further developing the good-neighborly and friendly relations is conducive to the stability and development of the Asian-Pacific Region and of the world. Along with the development of the friendly cooperative relations between China and Mongolia, the cooperation and exchanges in political, economic, trading, and cultural fields have expanded day by day, the volume of border trade has increased year by year, and the personnel exchanges have increased with each passing day. This conforms to the wish of the peoples of China and Mongolia. Wang Qun said: Inner Mongolia's gate is opened wide to Mongolia. Inner Mongolia is willing to strengthen the exchanges and cooperation with Mongolia in economic, trade, scientific and technological, and cultural fields and to further develop the relations between the two parties and the two countries.

Bai Yin, secretary of the Hohhot City Party Committee, Wang Guoshi, head of the regional foreign affairs office, and responsible comrades of departments concerned also attended the reception.

Southeast Asia & Pacific

DKP Officials Ordered Out of Phnom Penh

OW2006130094 Beijing XINHUA in English 1245
GMT 20 Jun 94

[Text] Phnom Penh, June 20 (XINHUA)—All Democratic Cambodia Party (DKP) staff flew out of Puchentong Airport today for a DKP controlled area, following an order by Cambodia's Ministry of Interior Affairs last Friday [17 June].

According to observers this indicates that the Cambodian Government has effectively severed all contact with the DKP and closed the door on peace talks and national reconciliation.

Before leaving, Tap Kunnal, the DKP's representative, released a message thanking people at all levels who have, in various ways, shown their support.

The message also expressed the DKP's "regret at having to leave Phnom Penh...for a while."

Tap Kunnal's message said that the DKP had come to work in Phnom Penh in compliance with the 4-party Paris Agreement and with the approval of His Majesty King Norodom Sihanouk. This was to facilitate and maintain communication between the two groups with the aim of fostering mutual understanding until full national reconciliation.

Following last Friday's official instruction DKP staff were given a deadline of June 19 for departure from Phnom Penh.

However, as visas could not be obtained from the embassy during the weekend holiday, the government had agreed to a one-day delay for their departure.

The DKP's message stressed that this was only a temporary situation and that they sincerely hoped could return one day. [sentence as received]

It added that they would pray for the quickest possible realization of national reconciliation and unity in a united, independent and peaceful Cambodia.

Li Tieying, New Zealand Officials Discuss Reforms

OW2006135194 Beijing XINHUA in English 1149
GMT 20 Jun 94

[Text] Wellington, June 20 (XINHUA)—Chinese State Councilor Li Tieying and the delegation led by him held talks with New Zealand officials here today on economic reforms in their respective countries.

Shortly after his arrival here this morning, Li called on Wellington Mayor Fran Wilde, and the two sides exchanged views on local government reforms.

Later, the Chinese delegation met officials from the New Zealand Treasury and Reserve Bank. The hosts briefed the Chinese guests on how New Zealand manages state finance, collects taxes, runs state-owned enterprises and combats inflation.

This evening, Li, also minister in charge of the State Commission for Restructuring the Economic Systems, attended a reception hosted by Secretary of Treasury Murray Horn.

In his speech at the reception, Li briefed the New Zealand friends present on the occasion about the achievements China has made since it started economic reforms 15 years ago.

He also gave a brief account about China's on-going effort to build a socialist market economy.

Li Tieying Gives Speech at New Zealand Banquet

*OW2006131794 Beijing XINHUA in English 1206
GMT 20 Jun 94*

[Text] Wellington, June 20 (XINHUA)—China will continue to uphold the policy of reform and opening-up and accelerate the establishment of a new market economic system, declared the visiting Chinese State Councilor Li Tieying here today.

In a speech at a reception given by the New Zealand Treasury this evening, Li said China will also quicken the pace to make its new economic system compatible with international practices and take an active part in the international competition and economic cooperation.

"This not only serves the fundamental interest of the Chinese people but also conforms to the common aspiration and fundamental interests of the people in the rest of the world," he said.

Li, also minister in charge of the State Commission for Restructuring the Economic Reforms, briefed the New Zealand friends attending the reception about the achievements China has made since the start of its economic reform 15 years ago.

He attributed the achievements to the guidance of Deng Xiaoping's theory of building a socialism with Chinese characteristics.

As China is an Asian country, developing and strengthening its economic relations and cooperation with countries and regions in the Asia-Pacific region constitutes an integral part of its overall opening-up policy, he stated.

Li expressed China's readiness to actively expand its cooperation with New Zealand in the political, economic, scientific, technological and cultural fields under the principle of equality and mutual benefit.

Ramos Letter to Jiang Zemin Reaffirms Commitment

*OW2006131294 Beijing XINHUA in English 1147
GMT 20 Jun 94*

[Text] Manila, June 20 (XINHUA)—President Fidel Ramos has reaffirmed his government's commitment to forge closer ties with China and hopes the exchange of visits between the two countries will lead to the faster resolution of bilateral and regional problems.

The president's statement was contained in a letter to Chinese President Jiang Zemin, hand carried by Vice-President Joseph Estrada, who left last Saturday [18 June] for a seven-day official visit to China, and made public to the media today.

"It is because of our common commitment to increased exchanges at all levels that I am confident of a much brighter and much improved relations between the Philippines and the People's Republic of China whose effects and benefits shall result in the faster solutions of bilateral problems between us as well as regional problems that may directly or indirectly affect our two countries," the president wrote.

Estrada is scheduled to meet with his counterpart, Vice-President Rong Yiren, and other officials of the Chinese Government. He will return to Manila on June 25.

NPC Vice Chairman Attends Philippines Arts Exhibit

*OW2106064794 Beijing XINHUA in English 0619
GMT 21 Jun 94*

[Text] Beijing, June 21 (XINHUA)—An exhibition of more than 60 arts and crafts works from Western Mindanao in the Philippines opened here today.

The exhibits on display include colorful costumes, wood carvings, embroidery and musical instruments made by the local tribespeople.

Buhe, vice-chairman of China's National People's Congress [NPC] Standing Committee, and visiting Philippines Vice-President Joseph Ejercito Estrada, participated in the opening ceremony.

Buhe's wife Zhu Lan and Mrs. Estrada cut the ribbon for the exhibition.

Then the visiting couple visited the Palace Museum, built over 500 years ago in the Ming Dynasty, and mounted the rostrum of Tiananmen, where the late Chairman Mao Zedong announced the founding of the People's Republic of China in 1949.

Yesterday Estrada watched a military display performed by the people's armed police near the capital airport.

Radio Begins Serial Report on Nansha Islands**First Report**

OW0706080894 Beijing Central People's Radio Network in Mandarin 2230 GMT 6 Jun 94

[First part of a serial report on the Nansha Islands, entitled "The Pillboxes Are Linked With the Motherland," by station reporters (An Jinglin) and (Xiong Zengyan); from the "News and Press Review" program]

[Excerpts] [Begin station introduction] Dear listeners, the Nansha [Spratley] Islands, located at the farthest end of the vast expanse of China's maritime territory, are the southernmost of the South Sea islands. The islands spread out about 400 nautical miles from east to west and 500 nautical miles from south to north in the waters, and cover numerous coral reefs and beaches as well as an enormous area totaling 820,000 square km, about the size of eight Jiangsu Provinces. They form an important passage linking the Indian Ocean with the Pacific Ocean, and serve as China's largest tropical fishing ground as well as treasure islands of petroleum and natural gas resources. The Zengmuansha basin is reputed to be a second Persian Gulf. As the Nanshas are close to the equator, fresh water is extremely scarce on the islands. Not a single blade of grass grows on the reefs; and the year-round scorching sun makes life unbearable. There, officers and men of the Navy's South Sea Fleet have overcome extraordinary obstacles and created the Nansha spirit, an epitome of patriotism. Recently, a group of station reporters went to Nansha on a news-gathering assignment. They visited pillboxes where naval officers and men were stationed and wrote a serial report in the form of travel notes. Today, we will broadcast the first part, which is entitled "The Pillboxes Are Linked With the Motherland" and is prepared by station reporters (An Jinglin) and (Xiong Zengyan). [End introduction]

Where are the Nansha Islands, and how far are they from the mainland? The big transport ship that took us from Zhanjiang Port on the Leizhou peninsula to the Nanshas sailed nonstop for more than 50 hours. The South China Sea in April and May was the honeymoon season of the year. The sea was as smooth as a mirror. Only school after school of flying fish occasionally jumping out of the water alongside the ship broke the monotony of the vast expanse of water and sea. According to a naval comrade who accompanied us, it was a rare good time of the year because, in a few days, the South Sea could become stormy and turbulent.

As we landed on the first island, the (Zhudi) reef, we saw a Chinese map circled with six big characters reading "Motherland in My Heart," in addition to rotating radar antennas atop white pillboxes. A Chinese couplet written with red paint on the two sides of the gate to pillboxes said: "Fulfill one's aspiration in the remotest corner of the earth by safeguarding the (Zhudi) reef; link one's heart to the motherland by forever defending the

national gate." The island, a terraced reef, did not have a single inch of land above ground. Even at low tide, the terrace is still partially submerged. Naval officers and men, who are stationed year-round in the lone pillboxes surrounded by the immense sea, can neither watch TV nor listen to radio; and even a letter back home cannot be delivered smoothly. However, all fighters were full of patriotic enthusiasm. The wall papers and couplets put up in the pillboxes and flowers meticulously planted by fighters revealed their sentiment of affection for the reef, the sea, and the motherland.

Each and every reef stationed with officers and men had its own couplet. One of the entries to a couplet contest sponsored by the Fiery Cross Reef officers and men said: "The small reefs should not be taken lightly as their safeguarding concerns 3 million square km of water; without the reefs, 200 million households will (?become defenseless)." In this way, the couplet revealed the lofty aspiration of officers and men in safeguarding the motherland's territorial rights and interests over the 3 million square km waters for the security of 200 million households throughout the country. To officers and men guarding the reefs, the motherland is of paramount importance. The (Chihua) reef officers and men nicknamed their daily workout of running around the pillboxes the Nansha-Beijing 10,000-li run. Officers and men stationed on other reefs responded by pledging to complete the distance of the run before the 45th founding anniversary of the PRC.

Although what officers and men saw from the pillboxes were a vast perennial expanse of sea, they never missed the solemn flag-raising ceremony even for a single day. They raised their hands in front of the flag and pledged to link the reefs with the motherland and defend the flag on the reefs. Wall and board papers put up inside the pillboxes were full poems written by fighters describing their noble sentiments. [passage omitted]

On the Fiery Cross Reef, political commissar (Zhang Wanhu) told us about martyr and first-class merit citation recipient (He Zhenghui): On the eve of the Spring Festival in 1993, when a squad was performing duty on the reef, the weather changed suddenly. The wind was blowing hard and the wave surging up the reef. Fighter (Zhang Yangmin), who was walking at the front, tripped and was swept off by a giant wave, falling into a trench. As (He) witnessed the scene, he bravely jumped into the trench and dragged his comrade-in-arms out of danger. (Zhang) was saved, but (He) was swept away by a strong wave into the ocean. He died at the tender age of 20. While sorting out the martyr's belongings, his comrades-in-arms discovered an unfinished letter. The letter said: Father, if your son would become a martyr for the motherland, you should use the pension to seek treatment for your bronchitis and Mother's rheumatic headache. The remaining money will definitely be not enough to help Elder Brother find a bride, but can be used to repair the roof.

As we listened to the soul-stirring story and saw the white pillboxes standing erect above the sea, we searched for the true meaning of patriotism in the Nansha Islands. The answer is found in the pillboxes and the sea.

Second Report

OW0806100894 Beijing Central People's Radio Network in Mandarin 2230 GMT 7 Jun 94

[Second part of a serial report on the Spratley Islands, entitled "Cherish the Reefs With Deep Feelings"—by RENMIN HAIJUN BAO reporter Li Xiangdong and station reporter Xiong Zhengyan; from the "News and Press Review" program]

[Text] People who have never been to the Nansha [Spratly] Islands usually use these words "bleak, desolate, and hardship" to describe the islands, but the Nansha that we have seen are full of vitality. As we landed at Dongmen Reef, what caught our eyes first were the words "Garden on the Sea," which somewhat surprised us. The small garden, whose diameter is slightly more than a meter long, was built with coral stones collected by the officers and men stationed on the reef from the sea. Decorated with coral stones shaped like flowers and deer horns, as well as shells of various types, the garden looks magnificent. Every pillbox in Nansha is like an ocean of flowers. Because of the high temperature and humidity and the high degree of alkalinity on the reef, the more than 20 types of flowers brought from the mainland by officers and men withered as they could not withstand the harsh environment. Only a small common plant survived the scorching sun and began to bloom in the soldiers' emptied food cans. The officers and men guarding the reef call them sunflowers. Before long, the sunflowers were blooming in all the pillboxes. After consulting each other over the telephone, the officers and men agreed to name this type of flower the Jiaohua of Nansha. In addition to sunflowers, other purple and pink flowers, pine trees, and green bamboos have taken roots at Nansha pillboxes. At (Yushu) Reef, there is a path lined with more than 10 green loquats. Cultivated from loquat seeds by the soldiers, these trees are now over 1 meter tall.

Compared with the mainland, life in the Nansha Island is especially hard. Fresh water and vegetables, in particular, are too precious. Every drop of drinking water has to be shipped from the mainland. Soldiers once had sores in their mouths because long periods without green vegetables. Some soldiers longed for green vegetables so much that they drew a pile of eggplants with purple color and a pile of tomatoes with red ink. However, these are things of the past, things from the early days when the soldiers took up their duty of guarding the reef. Now, at every pillbox we visited, we could see soilless vegetable plots made from discarded ammunition boxes, basins, food cans, as well as man-made mobile vegetable plots. In fact, this has turned every pillbox into the well-known Nanniwan Production Team.

The largest vegetable farm (words indistinct) measured nine fen [a unit of area equal to 66.666 square meters]. The dirt was partly brought here by soldiers guarding the reef and partly provided by supply ships. The soil was nearly one foot thick. No less than 10 varieties, including water spinach, leaf mustard, three-colored amaranth, pakchoi, wax gourd, pumpkin, peas, and tomato, were in full growth. When Nansha's first home-grown cucumbers—grown by soldier Wang Shanzhu in a cartridge box—were ripe, soldiers on the reef held a special cucumber banquet. It was so precious that every soldier was reluctant to eat the piece distributed. Nowadays, soldiers are able to eat vegetables every other day, and each week they slaughter a self-raised pig.

The pillboxes, inhabited by soldiers on the reef, have also seen great changes. Soldiers proudly told us that what they inhabited were the third-generation high-foundation houses [gao jiao wu]; the first-generation houses had completely gone. We saw some second-generation houses, which were still retained. To build reinforced concrete high-foundation houses, soldiers guarding the reef have worked painstakingly under the sun; some have dedicated their lives. In building the third-generation houses, the resourceful soldiers designed and built devices that could hold water when it rains. Every square inch of the pillboxes was skillfully utilized to ameliorate the shortages of fresh water in Nansha.

Nanniwan on the sea crystallizes the soldier's dedicated service to the motherland. The miracles created on the vast sea by soldiers guarding the reef were footnotes to the poster on the reef: "Make the Reef Our Home, Guard the Territory in the Remotest Frontier With Pleasure!"

Third Report

OW0906142594 Beijing Central People's Radio Network in Mandarin 2230 GMT 8 Jun 94

[Third part of a serial report on the Spratly Islands entitled "Dedication on the Nansha Islands"—by station reporter Hu Zhanfan; from the "News and Press Review" program]

[Text] Many things which are considered ordinary and trivial on the mainland become very important on the Nansha [Spratly] Islands. For example, letters from one's family. More than once, we saw how fighters guarding the Nansha Island reefs beamed with joy when they received a letter from their family and how those who did not receive any mail became dejected. However, more than any other story, we heard family-letter-related stories about the silent dedication by soldiers guarding reefs at the remotest corner of China's territory.

There is a political instructor called Wu Guisong on the reefs. When he was 30, a baby boy was born to him. He named his baby Weiguo. He left home and returned to the reefs before his baby was one month old. Fighters have called him Weiguo's Father since then, and he would happily answer to this. Unfortunately, three

months later he received a letter from his wife telling him that the baby had died of pneumonia four days after he left home. Although it was like a bolt out of the blue, Wu Guisong put up with the blow. He kept the bad news to himself and did not mention a word of it to others. He understood that any personal joys, anger, and sorrows would be contagious and would be shared by others in this small community far away from human habitation. He could not let his personal sorrow affect the general mood of the fighters. Whenever unknowing young fighters called him Weiguo's Father, he felt pain as if his heart had been stabbed with a knife, although he loudly responded to their calls with a smiling face. He shed his tears when he was alone.

More often than not, on the reefs, whoever received a letter from his family would read it aloud in public. One day, platoon leader Qian Renping received two letters from his family. One, dated 13 February, was sent by his wife, and the other, dated 17 April, by his father. Gathering around him, fighters asked him to read aloud the letter from his Snow White as quickly as possible. He opened the letter and read aloud a paragraph: "Renping, I am in very good health. You have to go through hardships on the Nansha Islands. Take good care of yourself. I have been looking forward to receiving your letter for three full months. To date, I still have received none from you. This time, you must send me as many letters as you can write." Here, he stopped reading and folded the letter. He wanted to enjoy reading it at his ease sometime later. Then, he opened the other letter from his old father. After he had read a few lines, tears began welling in his eyes. His father told him that Qian's wife had contracted liver cancer and had passed away two months ago. His wife spent a whole afternoon writing the short letter to him on her deathbed. Qian Renping could not bear the sudden blow. However, when he received a notice to immediately return home by the next available vessel, he shook his head and said: "There are no previous arrangements. I cannot just go and leave my work unattended." Wiping tears off his face, he silently sat at his desk again.

In a pillbox on the Nansha Islands, we saw the following scene on a TV screen: A few fighters stood in the waist-deep seawater; holding guns in their hands and standing close to each other, they were defending a national flag. We also listened to the story about the deeds of Fighter Zhou Jianguo, who gloriously sacrificed himself during the construction of a pillbox, and we heard about the instances of asphalt felt melting and thermometers bursting under the scorching sun of the Nansha Islands. Officers and men repeatedly told us stories about such incidents. We found the story about the arduous struggle at sea unforgettable. In October 1993, Typhoon No. 20 hit the main pillbox. High waves rolled over the rooftop of the three-story-high building. Erected structures and equipment lying on an area of 600 square meters of the construction site were swept away. Seeing the erected structures and equipment on the construction site disappearing before their eyes, the

fighters wept. Swept away before their eyes were kitchen utensils, foodstuffs, materials, towels, soap, toothbrushes, toothpaste, clothes to be washed, and equipment for fighters' activities. What else could they use for food, clothing, and equipment on the construction site? The party branch decided that what had not been swept away by the typhoon must be used in a centralized way. Officers and men contributed for common use all the canned food, cigarettes, towels, and instant noodles that they had saved for themselves. Cans were used as bowls and washbasins as pans. Bamboo broomsticks which had not been used were split open and cut short for use as chopsticks. Two people took turns wearing three sets of clothes. The fighters received a cookie every other day. Despite such hardships, the fighters did not fail to perform their duties at their posts or to stand guard for 20 days in a row.

Such was the dedication by sentries at the remotest corner of China's territory. The spiritual force supporting them was, there is no doubt, the four large characters inscribed on the (Yushu) Reef of the Nansha Islands—Long live the motherland.

Sub-Saharan Africa

CPPCC Vice Chairman Meets Gabonese Visitors

OW2006112894 Beijing XINHUA in English 1110
GMT 20 Jun 94

[Text] Beijing, June 20 (XINHUA)—Qian Zhengying, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), met with a delegation from the Economic and Social Council of Gabon, headed by council president Edmond Nkogho, here today.

The visitors arrived here today as guests of the CPPCC.

South African Paper Cited on Establishing Relations

OW1906121994 Beijing XINHUA in English 1200
GMT 19 Jun 94

[Text] Johannesburg, June 19 (XINHUA)—South African Deputy Foreign Minister Aziz Pahad has said his country is intending to establish diplomatic ties with China, according to THE SUNDAY TIMES here today.

The largest circulation newspaper carried the deputy foreign minister's interview with its political correspondent Edyth Bulbring on South Africa's foreign policy.

Pahad said the People's Republic of China is important for South Africa not only because of the enormous trade potential, but also because it is a permanent member of the United Nations Security Council.

He pointed out that should South Africa establish diplomatic ties with China, it would have to forgo the long-established diplomatic ties with Taiwan.

However, he stated, Taiwan is one of South Africa's largest trading partners.

"In the final analysis, our decision will be determined by our interests and international precedents."

Pahad said given South Africa's sanctions-battered past, the focus will be to increase favorable economic relations with its traditional trading partners—the United States and the European Union.

But, he said his country will also be looking beyond traditional partners to expand economic relations with, among others, Canada, Singapore, Malaysia, Japan, India, the People's Republic of China and Latin America.

Another area where links were unexplored is the Middle East, not only for trade, investment and tourism but for oil, he said.

Chi Haotian, Xu Huizi Meet Zambian Visitor

*OW2106071294 Beijing XINHUA in English 0632
GMT 21 Jun 94*

[Text] Beijing, June 21 (XINHUA)—General Chi Haotian, China's State Councillor and minister of national defence, met with P.K. Musukwa, secretary of the Defence Ministry of Zambia, and his party here this morning.

General Xu Huizi, deputy chief of the General Staff of the Chinese People's Liberation Army, took part in the meeting.

Musukwa and his party arrived here June 19 as guests of the Chinese National Defence Ministry. Apart from Beijing, they are also to tour Shanghai and Guilin.

Xu Fetes Delegation

*OW2006131194 Beijing XINHUA in English 1200
GMT 20 Jun 94*

[Text] Beijing, June 20 (XINHUA)—General Xu Huizi, deputy chief of the General Staff of the Chinese People's Liberation Army, hosted a dinner in honor of P.K. Musukwa, standing secretary of the Zambian Defense Ministry, here this evening.

Zambian Ambassador to China P.L. Kasanda was present at the dinner.

It is learned that Musukwa and his party arrived here June 19 for an 8-day official goodwill visit to China as guests of the Chinese Defense Ministry.

China To Supply Short Wave Transmitters to Zambia

*OW1706132094 Beijing XINHUA in English 1258
GMT 17 Jun 94*

[Text] Lusaka, June 17, (XINHUA)—China will supply and install two sets of 150 kilowatt short wave transmitters at Zambia National Broadcasting Corporation (ZNBC) in Lusaka and Kitwe.

An agreement to the effect was signed here on Thursday [16 June].

China, under the agreement, will also supply and install two sets of 10 kilowatt 'FM' transmitters at the mass-media complex and two 10 kilowatt sets at ZNBC Kitwe studios.

Zambian Minister of Information and Broadcasting Services Keli Walubita said that after the installation of the transmitters, a good radio reception is anticipated almost throughout Zambia.

He thanked China for its assistance to Zambia in the improvement of the radio reception in Zambia.

West Europe

Cyprus President Meets State Councillor Luo Gan

*OW1706120594 Beijing XINHUA in English 1151
GMT 17 Jun 94*

[Text] Nicosia, June 17 (XINHUA)—The relations between Cyprus and China could be further enhanced although the two countries enjoy very good relations, declared Cyprus President Glavcos Kliridhis today.

Meeting a visiting Chinese delegation led by Luo Gan, state councillor and secretary general of the State Council, the Cyprus president said Cyprus and China had close relations in the fields of commerce, culture and trade and shared similar views on broader international issues.

The president said most Cypriot people admired long history of the Chinese civilization and wanted to visit China. He hoped more Cypriot tourists will visit China and more Chinese visit Cyprus so that the two peoples could meet each other and increase mutual understanding.

The Cypriot president assured the Chinese guests he would follow his predecessors' policy and do his best to further develop the good relations between the two countries.

Kliridhis also briefed the Chinese delegation on the latest development of the Cyprus problem.

Luo Gan, who arrived here with his delegation late Thursday [16 June] night for a good will visit to Cyprus, said China attached great importance to the relations between the two countries and appreciated smooth

development of the good relations since the establishment of diplomatic relations between the two countries.

"We also enjoy good cooperations in the international field and share similar views on many international issues," Luo told the president, and hoped such cooperation would be further strengthened.

On Cyprus issue, which has lasted for 20 years, Luo said China supports the maintenance of the island's independence, sovereignty and territorial integrity and supports the United Nations in its effort to solve the long standing issue.

Luo and his delegation also met and held talks today with Acting Foreign Minister, Interior Minister Konstandinos Mikhailidis.

Reliable sources told XINHUA that during the talks, the two sides discussed bilateral relations, economic and trade cooperation as well as the Cyprus problem.

After the talks in the Foreign Ministry, the delegation met President of the House of Representatives Alexis Galanos [name as received].

Cyprus is the delegation's first leg in their regional tour, which will also take them to Tunisia and Libya.

The Chinese delegation is expected to leave the island Sunday.

State Councillor Luo Gan Winds Up Visit to Cyprus

*OW1906075594 Beijing XINHUA in English 0711
GMT 19 Jun 94*

[Text] Larnaca, Cyprus, June 19 (XINHUA)—Luo Gan, state councillor and secretary general of China's State Council, and his delegation left here for Tunisia today winding up a three-day good will visit to this Mediterranean island country.

During his stay in Cyprus, Luo and his party met Cyprus President Glavcos Kleridhis and President of the House of Representatives Alexis Galanos [name as received]. Both sides expressed satisfaction over the smooth development of good relations between the two countries.

The delegation also held talks with Cyprus Acting Foreign Minister, Interior Minister Konstandinos Mikhailidis, during which bilateral relations, economic and trade cooperation as well as the cyprus issue were discussed.

Cyprus is the delegations' first leg in their tour in the region, which will also take them to Tunisia and Libya.

French Industrialist Interviewed on Improving Trade

*OW2006165794 Beijing XINHUA in English 1530
GMT 20 Jun 94*

[Text] Beijing, June 20 (XINHUA)—"It was back in 1974 that I felt that China would be a huge energy market. Now, my prediction of 20 years ago is proving correct."

Jean-Pierre Desgeorges, president of the France-China Committee and president of the GEC-Alsthom company, made this point to XINHUA during a recent visit to Beijing.

An old friend of China who had visited this country many times, Desgeorges contributed greatly to promoting Sino-French cooperation.

He was proud to recall that GEC-Alsthom had established business links with China in the 1950s, and in 1958 signed the first contract with China for locomotives. The company sold China 300 locomotives, which are still running well today.

Alsthom had also been involved in the construction of China's thermal and hydro-power electricity plants.

"China has been an extremely important market for Alsthom," Desgeorges said. "We earnestly hope to continue to cooperate with China in the fields of energy and traffic now that French-Sino relations have returned to a normal track."

Though the Alsthom-China contracts always cover huge programs, Desgeorges was not satisfied.

As China needs to strengthen its infrastructure, such as the energy industry, transport and telecommunications, in which fields France is in the forefront, he insisted that the contracts of large programs were not enough to give impetus to the comprehensive development of French-Sino trade and economic relations.

More numerous cooperation, that is contracts between Chinese and French medium-size and small enterprises and collaboration in medium-size and small programs, should be implemented, he said.

The development of medium-size and small enterprises, which offer large employment opportunities, was of great significance to China, he noted, because it has a lot of medium-size and small business concerns.

Desgeorges said the France-China Committee would investigate the situation of French medium-size and small enterprises and provide a list of those interested in China's market in various trades.

Desgeorges was in April elected president of the committee of France-China, which was set up in 1979, to develop French-Sino cooperation of industry and trade. It has 200 members, including some big enterprises and groups.

The committee will select the best ones to make contact direct with their Chinese counterparts.

Desgeorges added that they could cooperate in forms of technological cooperation, trade exchanges, joint management and even opening markets in a third country.

He suggested that China may establish a China-France committee as well so as to find Chinese medium-size and small enterprises willing to deal with the French ones.

Rexrodt Calls For Promotion of Sino-German Trade

*OW1806031494 Beijing XINHUA in English 0224
GMT 18 Jun 94*

[Text] Bonn, June 17 (XINHUA)—Sino-German bilateral trade should be developed further and cooperation between the two countries in all fields should be promoted, a German minister said here today.

The German Minister of the Economy, Guenter Rexrodt, made the remarks at a joint press conference for the first Sino-German medium-sized and small enterprises' conference which opened on Thursday.

He expressed the hope that Chinese Premier Li Peng's visit to Germany, scheduled for early July, would serve to develop Sino-German political and economic relations further.

Rexrodt said that Sino-German bilateral trade required further promotion and that China's infrastructure, its energy supply, transport and communications in particular, needed development.

Germany has long been China's most important economic partner in western Europe. In 1993, the volume of trade between the two countries reached 10 billion U.S. dollars, an increase of 54.9 percent from 1992.

The German minister said on Thursday that for Germany China was an extremely important investment market in Asia and its biggest economic partner among the developing countries.

He also expressed the hope that China would continue its successful economic reform policies.

Chinese Vice-Minister of Foreign Trade and Economic Cooperation, Shi Guangsheng, who is heading the Chinese delegation, today asked the European Union (EU) to abolish their discrimination against and restrictions on Chinese products.

In response, Rexrodt said Germany would try its best within the EU to have the restrictions rescinded.

The two-day Sino-German medium-sized and small enterprises' conference ended today. Some 250 items for cooperation were introduced by the two sides and 77 of them underwent serious discussion during the conference.

Li Ruihuan Meets German Construction Company Chairman

*OW2006110194 Beijing XINHUA in English 1018
GMT 20 Jun 94*

[Text] Beijing, June 20 (XINHUA)—A leading German construction company, the Philipp Holzmann, is to build a "European square" in Beijing.

A letter of intent was signed a month ago by the company and the Beijing municipality, involving 200 million U.S. dollars.

Chinese senior leader Li Ruihuan had a brief meeting with Holzmann's chairman Lothar Mayer here this afternoon, praising the company for involving itself in this and other important projects in China and hoping that construction of such projects will be completed in time and with high quality.

These projects also include the Yansha Center in Beijing, a section of the express highway in Shanghai, a key water conservancy project in Sichuan Province and another one in the middle reaches of the Yellow River.

Li, chairman of the National Committee of the Chinese People's Political Consultative Conference, told the visitor that during the past 15 years the Chinese Government and local authorities have given top priority to the fast-growing construction industry, resulting in a drastic face-lifting in the major cities.

Li expressed the conviction that Holzmann will get full support in China.

Zou Jiahua Receives German Industrialist

*OW2006165894 Beijing XINHUA in English 1606
GMT 20 Jun 94*

[Text] Beijing, June 20 (XINHUA)—Chinese Vice-Premier Zou Jiahua met with Horst Teltschik, special envoy to Germany's federal Chancellor Helmut Kohl.

Zou said that as Teltschik and his party are all heads of major German companies, their visit will be conducive to the further development of bilateral relations between China and Germany.

Zou said the visit is another result of the visit to China by Kohl as well as the preparation for Chinese Premier Li Peng's visit to Germany.

Teltschik, also member of the board of management BMW AG [corporation], of Germany, said his entourage include representatives from nine German companies and the visit marks the continuous development of German-Chinese relations.

He said the federal government of Germany supports the cooperation between Germany and China.

Teltschik and his party arrived here today at the invitation of China's State Planning Commission. They are

scheduled to discuss the Sino-German cooperation in transportation and infrastructure.

Netherlands Delegation Leaves Beijing

*OW1806034794 Beijing XINHUA in English 0315
GMT 18 Jun 94*

[Text] Beijing, June 18 (XINHUA)—A Netherlands delegation of education and science headed by Professor

F.H.J.J. Andriessen, former vice-president of the European Commission, left here for home today, ending their five-day visit to Beijing.

They were guests of the State Science and Technology Commission, State Education Commission, State Planning Commission, Chinese Academy of Sciences and Chinese Academy of Social Sciences.

During their stay in Beijing, co-operation between China and the Netherlands in the fields of economic policy research, management training, and legal and fiscal affairs was discussed.

Political & Social**Qian Qichen Speech at Overseas Chinese Meeting**

HK2106133194 Beijing RENMIN RIBAO in Chinese 15 Jun 94 p 4

[Speech delivered by Qian Qichen at the Fifth National Meeting of Representatives of Returned Overseas Chinese and Relatives of Overseas Chinese in Beijing on 14 June 1994: "Qian Qichen's Speech Made on Behalf of the CPC Central Committee and the State Council at the Fifth National Meeting of Representatives of Returned Overseas Chinese and Relatives of Overseas Chinese on 14 June 1994"]

[Text] Deputies and Comrades:

The Fifth National Meeting of Representatives of Returned Overseas Chinese and Relatives of Overseas Chinese opened solemnly today. This is a significant meeting for the overseas Chinese sector, and is also a great event which the returned overseas Chinese, the relatives of overseas Chinese, and the vast number of Chinese nationals residing abroad, numbering more than 30 million, have universally followed with interest. The convocation of this meeting is of vital significance to further mobilizing the vast numbers of returned overseas Chinese and their relatives to conscientiously implement the guidelines of the 14th Party National Congress and the Third Plenary Session of the 14th CPC Central Committee and accelerating the development of building socialism with Chinese characteristics. On behalf of the CPC Central Committee and the State Council, I should like to avail myself of this opportunity to extend our warm congratulations to this meeting; our best wishes to the vast number of returned overseas Chinese, the relatives of Overseas Chinese, and the Chinese nationals residing abroad; our cordial greetings to the assiduous workers of overseas Chinese affairs; and our respects to the advanced collectives and individuals in overseas Chinese work, who will be commended at this meeting.

Returned Overseas Chinese, the relatives of overseas Chinese, and the vast number of Chinese nationals residing abroad have made tremendous contributions to China's revolution and construction in various historical periods and have written an epic and historic chapter on the prosperity of the motherland and the progress and rejuvenation of the Chinese nation. During the new historical period, the vast number of returned overseas Chinese and their relatives are active in the posts of various trades and professions. With a lofty sense of mission and responsibility, they have enthusiastically devoted themselves to reform, opening up, and socialist modernization undertakings, have made brilliant achievements in bringing about economic development and social progress, and have played a positive role in the great cause of the peaceful reunification of the motherland. The vast number of Chinese nationals residing abroad are the most enthusiastic supporters of

China's open-door policy, its effort to develop foreign trade and economic cooperation, and its scientific, technological, and cultural exchange activities. Advancing hand in hand with the local people, they have performed substantial work for the prosperity and progress of the countries where they are residing as well as for the development of friendly ties between these countries and China. They have demonstrated utterly sincere feelings for the reform and construction of the motherland.

The period between now and the middle of next century will be a great historic period of national rejuvenation and the realization of socialist modernization in China. In the 1990's, we will strive to achieve the second-step objective of quadrupling GNP ahead of schedule so that the people will be able to lead a relatively comfortable life, and the socialist market economic structure will be initially established. In line with the Sino-British Joint Declaration and the Sino-Portuguese Joint Declaration, we will resume our sovereignty over Hong Kong and Macao as scheduled and will maintain long-term stability and prosperity there. We will also push forward the great cause of reunifying the motherland in accordance with the principle of "one country, two systems." For these purposes, we must fully mobilize the initiative of the entire people, including the returned overseas Chinese, the relatives of overseas Chinese, and Chinese nationals residing abroad. They have the fine tradition of loving their motherland and home towns, and boast the advantage of extensive relationships with the people and rich information resources abroad. Hence, they are a major force in the country's drive for modernization and will certainly make greater contributions to the magnificent cause of rejuvenating and reunifying the motherland.

This is a crucial year for China's socialist modernization process. "Seizing the opportunity, deepening reform, opening wider to the outside world, promoting development, and maintaining stability" are the tasks on which the overall interest of the entire party and country hinges. The Overseas Chinese affairs work should be consciously subordinate to and serve this overall interest. Closely centering around this overall interest, we must seriously put into practice various principles and policies on Overseas Chinese affairs work in the new period, must extensively unite and mobilize the returned overseas Chinese and their relatives to devote themselves to reform, opening up, and the modernization drive, must enthusiastically promote trade and economic cooperation as well as scientific, technological, and cultural exchange between the Overseas Chinese and the motherland, must maintain social stability, and must give impetus to economic development and comprehensive social progress. The vast number of overseas Chinese affairs workers should do all they can to forge ahead with one heart and one mind in a bid to initiate a new situation for Overseas Chinese affairs work.

The All-China Federation of Returned Overseas Chinese is a mass organization of returned Overseas Chinese and relatives of Overseas Chinese throughout the country

under the party leadership, and is a bridge and link between them and the party and government. Since the Third Plenary Session of the 11th CPC Central Committee, the federations of returned Overseas Chinese at various levels have exercised a significant role in reform, opening up, and the modernization drive. The vast number of cadres of these federations have worked diligently and have made brilliant achievements. Under the new situation, they are faced with even heavier tasks, and their position and role are even more important. The federations at various levels should be guided by Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, should adhere to the party's basic line, should perform their work with an emphasis on economic construction, and should exercise their functions in a comprehensive way. They should exploit their own advantages and, through their effective work, further mobilize and unite the returned overseas Chinese and their relatives across the country to devote greater efforts to pushing forward the undertakings of reform, opening up, and modernization in China. It is necessary to fully exercise the role of the returned Overseas Chinese and their relatives in participating in the deliberation and administration of state affairs and in democratic supervision. Their legitimate rights and interests in the country should be protected in accordance with the law. It is also necessary to fully exploit the advantages of the federations of returned Overseas Chinese in conducting nongovernmental exchange and increasing contact with foreign countries. We should give enthusiastic assistance to the returned Overseas Chinese, the relatives of Overseas Chinese, and Chinese nationals residing abroad in their efforts to run cultural, educational, public health, and other social welfare undertakings in the country. Besides, it is necessary to bring into full play the role of the federations of returned Overseas Chinese in the building of socialist spiritual civilization and make further efforts to strengthen such building in their home towns. Through intensified reform and building, we should train a contingent of overseas affairs workers who have both ability and political integrity and who will enthusiastically serve the returned Overseas Chinese, the relatives of Overseas Chinese, and Chinese nationals residing abroad. The work of the federations of returned Overseas Chinese should be geared to the needs of the grass-roots units and should go deep into the realities of life. They should earnestly propagate and explain the party's principles and policies and the important measures on reform and opening up to the returned Overseas Chinese and their relatives, get acquainted with their aspirations, show concern for their weal and woe, and convey their views and demands to the party and government in good time. These federations should be built into vigorous and energetic "homes of returned Overseas Chinese and their relatives" which are trusted by the broad masses.

Deputies and comrades, the party and government always pay serious attention to the role of the returned Overseas Chinese, the relatives of Overseas Chinese, and the Chinese nationals residing abroad in revolution and

construction, as well as to the work of overseas affairs. Under the new situation, the party and government at all levels should further intensify and improve leadership over overseas affairs work, should give full rein to the initiative of the federations, and should enthusiastically show concern for and give support to their work. I profoundly believe that, after the current meeting, a brand new situation of unity and endeavor in overseas affairs work will certainly emerge. Under the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the leadership of the party Central Committee with Comrade Jiang Zemin at the core, let us firmly seize the opportunity, do solid work, forge ahead, and make great efforts to build China into a prosperous, democratic, civilized, and modernized socialist country and to safeguard world peace and development!

I wish the meeting complete success!

Rights Group Alleges Persecution of Religious Sect

*HK2106130194 Hong Kong AFP in English 1124
GMT 21 June 94*

[By Tiffany Bown; embargoed by AFP until 0001 GMT 22 June]

[Text] Beijing, June 21 (AFP)—Chinese authorities are engaged in the systematic persecution of an evangelical Protestant sect in Henan province, with at least 13 "Shouters" now in prison, Human Rights Watch/Asia said in a report.

"China: Persecution of a Protestant Sect," published Wednesday, focuses on an intensive clampdown in the central province since the group—an outgrowth of an indigenous Chinese religious sect founded in 1922—was labelled counterrevolutionary in May 1983.

Large-scale persecution began on May 5, 1983 when some 2,000 Shouters were rounded up nationwide for "re-education," the international human rights group quoted an unconfirmed account as saying.

Some 50 Shouters in Henan have since been jailed for up to 15 years, the report said, adding 13 remained in detention while three had died in prison or on medical parole, the report said.

Since 1990, the authorities have abandoned long sentences in favour of shorter administrative detention without recourse to trial, during which sect members are bound, beaten with electric batons and gagged "if they continue to call on Jesus," it said.

Members are also subjected to other forms of persecution, including heavy fines and so-called "study sessions," it said.

During the several-day sessions, Shouters are "bound with rope, forced to stay on their knees for extended periods of time, physically abused, and forced on pain of

torture to renounce their faith, expose their leaders, and join the Three-Self Movement," it said.

The Three-Self Patriotic Movement is the officially sanctioned Protestant Church of China.

The continuing clampdown on the Shouters reflects official alarm over the rapid growth of the "evangelical, mystical, subjective, intuitive, apocalyptic and individual" sect, whose membership at its Lushan base in Henan had grown to 200,000 by 1983, the report said.

Human Rights Watch/Asia said its report "provides further evidence that the number of known political prisoners and religious detainees in China is only a fraction of the real total," noting that only 12 Shouters had ever previously been listed as having been imprisoned.

It called for the immediate and unconditional release of the remaining prisoners and "an end to persecution, harassment, arbitrary arrest and fining of religious practitioners who do not identify with official churches."

The counterrevolutionary label enabled the authorities in the 1980s to imprison Shouters for long periods while remaining within the Chinese law, the report said.

But the group—which stresses Bible study while eschewing involvement in broader social or political matters—rejects the label.

"The Shouters themselves maintained that their differences with the official church were confined to theological interpretation and style of worship and were in no way related to politics or counterrevolution," the report said.

The authorities, which have long sought to prevent the spread of unregistered "house churches," object to the Shouters' evangelical creed, rejection of a professional ministry and private meetings.

In 1992, officials put the number of Protestants and Catholics attending state-approved churches at some eight million, acknowledging the number of "secret" worshippers was far higher.

The report called on Washington to continue pressing Beijing to release about 50 religious figures jailed or under house arrest who were included on a 1993 U.S. list.

China's major trading partners should also push Beijing to invite the UN Special Rapporteur on Religious Intolerance to visit China to recommend specific reforms to enhance religious freedom, it said.

Jiang Zemin Lobbies Support for Reform

HK2106055994 Hong Kong SOUTH CHINA MORNING POST in English 21 Jun 94 p 10

[By Willy Wo-Lap Lam]

[Text] President Jiang Zemin is in Shenzhen to canvass support for Beijing's next major programme for economic reform which will be a mixture of liberalisation and centralisation measures.

Sources in Shenzhen said the municipal leadership yesterday lobbied Mr Jiang to allow the Special Economic Zone (SEZ) to continue its role as a ground for experimenting with market reforms.

Mr Jiang arrived in the zone on Sunday and will leave today or tomorrow.

A team appointed by Mr Jiang and Vice-Premier Zhu Rongli is in the final process of drafting a document on the "next stage" of economic reform, which will be endorsed by the Fourth Plenum of the Central Committee scheduled for the autumn. Sources familiar with the drafting process said the document would spell out the desired kinds of "macro-level adjustments and controls" under a socialist market economy.

While the document recommends that most of the market reforms outlined at the Third Plenum last November be continued, it will also introduce means in which the Government can ensure that they can be accomplished without disruptive effects such as inflation and unemployment.

The sources said since the spring, Mr Jiang had made trips to different parts of the country to solicit support for the programme.

They pointed out Mr Jiang, who is also party General Secretary, took the opportunity to warn regional cadres they must put the "overall situation of the country" ahead of local interests.

Recommendations that are expected to be passed by the Fourth Plenum include ways to control excessive fixed-assets investment by localities and to ensure that sufficient land be devoted to farming, especially grain production. Mr Jiang's team is also working out strategies to restructure government-owned enterprises without leading to unemployment or the loss of state assets.

Sources in Shenzhen said municipal leaders presented Mr Jiang with a blueprint for economic reform through to the mid-1990s.

"While assuring that Shenzhen would abide by national priorities, SEZ cadres indicated they hoped the zone would be allowed to go on experimenting with market reforms," a source said.

"These reforms will set the pace for the entire country, and also facilitate the economic integration between Shenzhen and Hong Kong."

For example, one reform being carried out in the SEZ is to promote the separation of Government and business by ensuring even state-owned companies no longer need remain the subordinate units of government departments.

It is understood Mr Jiang gave a general support for Shenzhen's reforms, which also enjoy the backing of the State Commission for the Reform of the Economic Structure.

Last week, Mr Jiang spread the message of liberalisation, coupled with restraint, to leaders of other Guangdong cities of Guangzhou, Zhongshan and Zhuhai.

Jiang Zemin, Li Peng Express Concern Over Floods

OW2106062894 Beijing XINHUA Domestic Service in Chinese 1629 GMT 19 Jun 94

[Text] Guangzhou, 19 Jun (XINHUA)—Jiang Zemin, general secretary of the CPC Central Committee Political Bureau and chairman of the Central Military Commission, and Li Peng, premier of the State Council, are very much concerned about floods in Guangdong Province. Recently, they repeatedly inquired about the flood situation in the Zhu Jiang valley, particularly that of Bei Jiang and Xi Jiang. They expressed their deep concern for the people in the flood-hit areas, as well as extended their warm greetings to the vast number of cadres, officers, and men of the People's Liberation Army; armed police officers; and public security police who battle on the frontline against floods and provide disaster relief.

Jiang Zemin and Li Peng gave important directives for current flood prevention and disaster relief tasks in Guangdong. They expressed the hope that under the leadership of the Guangdong provincial party committee and government, the Guangdong army and people would make concerted efforts in disaster relief; earnestly help flood victims solve their living problems; and go all out to battle floods to ensure the safety of the Bei Jiang dike, Guangzhou city, and the Zhu Jiang Delta.

Bo Yibo Writes Ethics Education Book Preface

OW1806225094 Beijing XINHUA Domestic Service in Chinese 0643 GMT 17 Jun 94

[Article by Bo Yibo dated 25 May and entitled "Make Every Effort To Promote Both Material and Spiritual Civilization"]

[Text] Beijing, 17 Jun (XINHUA)—The "Anthology of Education in Professional Ethics in China" will soon be available. In asking me to write a preface for the anthology, its chief editor said:

"The Chinese Society for the Study of Cultural and Economic Development Along the Huang He, the Managerial Science Research Institute, and the Xinhua Publishing House have organized scholars and experts in various professions to jointly compile the 'Anthology of Education in Professional Ethics in China' by—in light of the norms of professional ethics in their respective fields and under the current conditions of developing a

socialist market economy—elaborating on the principles, content, styles, and methods of vocational ethics education in order to make vocational ethics education more methodical and standardized. Such books are useful in laying a foundation for raising the entire nation's vocational ethics standards and for promoting socialist spiritual civilization, in clarifying and surmounting the ideological confusion created by ultra-individualism and money worship, in improving the competence of the ranks of the workers and staff, and in resisting and overcoming unhealthy practices in various industries, trades, and professions."

It is my belief that vocational ethics education can be carried out well and effectively only when it is integrated as an essential part of socialist spiritual civilization.

I would like to take advantage of this opportunity to write this preface to say a few words about my personal views on the relationship between the two civilizations.

With the founding of New China, the CPC became the party in power, and it bore upon its shoulders the heavy responsibility of promoting the two civilizations. Under the leadership of the CPC Central Committee and Chairman Mao, the party as a whole carried out the party's three important styles of work (integrating theory with practice, practicing criticism and self-criticism, and forging close ties with the masses); firmly bore in mind the party's purpose of serving the people wholeheartedly; was modest and prudent, guarded against arrogance and rashness, worked hard, observed discipline, and expended great efforts in learning how to run the economy, administer state affairs, and ensure the nation's security. Within a few years, we were able to recover from the wounds of the war, we revived the national economy, and we implemented rather successfully the first Five-Year Plan and the remodeling of socialism, thus bringing about a situation characterized by thriving economic development, an improvement in people's lives, and a clean and honest party style and general standards of social conduct. Comparing the new society with the old one, people became aware that only socialism could save China. Aside from the correct line, the great successes achieved in the construction of two civilizations can also be attributed to a group of party cadres who, in the prime of their lives, had undergone various tests and had set an example of correctly carrying out and executing the party's correct line.

Upon the basic completion of its socialist transformation, China has entered a period of full socialist construction. When we say full, this naturally covers the building of both material and spiritual civilization. The policy decision made by the Eighth CPC National Congress has been correct, in holding that socialism has been basically established in China; and that despite the continued existence of class struggle and the need for further strengthening the people's democratic dictatorship, the nation's principal contradiction is no longer between the working and the capitalist classes but rather between the

people's urge for rapid economic and cultural development and the current economic and cultural conditions that fail to satisfy the people's needs. The principal missions of the people throughout the country are to concentrate their strength for the development of social productive forces, to realize the state's industrialization programs, and to gradually satisfy the people's ever-increasing economic and cultural needs. However, due to insufficient ideological preparedness for all-around socialist construction—particularly the emergence of a relapse concerning the understanding of the principal contradiction—and the "leftist" mistake we have committed, we have been unable to persist in the correct line set by the Eighth CPC National Congress. Although the party intended to focus its attention on economic development, the approach was wrong. While the people were zealous for construction, the party's guiding principles have not been in line with the objective economic law, thus resulting in the blunders of the "Great Leap Forward" and the "People's Commune," which frustrated the building of the two civilizations. After the party discovered its flaws and after a five-year adjustment period, China managed to regain its lease on life concerning the national economy, with encouraging results being achieved in the building of spiritual civilization. Jiao Yulu, Lei Feng, and Wang Jinxi were typical advanced models who sprung up during this period. Unfortunately, the party has abandoned its central task of economic construction and has clung for a long period to the wrong guiding principle of "taking class struggle as the key link," which subsequently caused the decade-long civil strife of the "Great Cultural Revolution" and thus the grievous devastation of the building of the two civilizations.

The Third Plenary Session of the 11th CFC Central Committee made a great historic turn by resolutely terminating the use of the wrong slogan of "taking class struggle as the key link"—which was not suitable for a socialist society and which ran totally counter to China's actual state conditions—and by making a timely strategic policy decision to divert the party's central task to the socialist modernization drive. As reform and opening up went deeper, Comrade Deng Xiaoping profoundly pointed out: "The Essence of socialism is to emancipate and develop the productive forces, eliminate exploitation, and remove polarization for the final attainment of common prosperity." "Upholding reform and opening up is a move that will determine China's fate." Making sure that reform and opening up will be carried out in a healthy manner, he also put forward the packaged principle of "being firm in attending to both material progress and cultural and ideological progress." Under the guidance of building socialism with Chinese characteristics, we have scored successes that have become the focus of world attention. There is no denying the fact that during the new-old transition process, we did make mistakes on the question of precedence, amid calls for improvements in such aspects as the party and social atmospheres. Our party is taking measures to solve these problems. With efforts in party building being

intensified, with the fundamental improvement, enhancement, and perfection of the party's democratic centralism for a genuine application in daily life; with the legal system being improved to such a level that there are sufficient laws for us to follow, with the anticorruption drive going deeper, and with the gradual establishment of a socialist market economic order, all these problems are solvable. Of course, we need time to solve these problems once and for all. As long as long as we carry out our work unswervingly and succeed in finding ways and reaching a consensus, I think that these problems may—in fact, must—be solved within three to five years.

From a brief account of the historical process mentioned above, we can reach a common understanding on the following two points: 1) The extent of the achievements scored by us in building the two civilizations depends, first of all, on whether the party's line is correct or not. If the line is correct, our achievements will be great; if the line is not on the right track, our achievements will be small or even incline to the opposite direction. The extent of our achievements also depends on whether our party organizations at all levels can correctly implement the party's line as well as a series of principles and policies it has adopted. The level of understanding gained by cadres, their ability to have the overall situation well in hand, and whether they really implement the party's line, principles, and policies in handling concrete tasks and play an exemplary role will affect, to a great extent, the success of the building of the two civilizations. Therefore, arming the whole party with the theory on building socialism with Chinese characteristics, enhancing the consciousness of all comrades of the party concerning the implementation of the party's basic line—"one central task and two basic points," and adhering to the principle of grasping two links at the same time and of taking a tough stand on both become a key aspect of our endeavor to successfully build the two civilizations. 2) We must persist in paying equal attention to building the two civilizations at the same time. Not a single one of the two civilizations can be dispensed with. They interact with and promote each other. The building of material civilization provides a strong material basis for the building of socialist spiritual civilization. "Poverty is not socialism." "Socialism must get rid of poverty." It is very hard to imagine that we can successfully build a socialist spiritual civilization if we do not develop the economy or get rid of poverty and backwardness or if we deviate from an economic basis. Of course, neither do we approve of the concept that spiritual civilization will be good naturally when the economy is developed. With regard to spiritual civilization, what counts is the effort to build it. If the building of spiritual civilization is carried out successfully, this will in turn provide a spiritual driving force as well as support in terms of intellectual resources for the building of material civilization and an ideological guarantee for the correct orientation of its development. The two are organically integrated in the practice of building socialism with Chinese characteristics.

Recently, the central authorities have repeatedly stressed: "Judging by the overall situation of reform, opening up, and modernization in China, the crux of the matter lies in properly handling the relationships between reform, development, and stability." I think that these six [figure as received] Chinese characters—reform, development, and stability—are very profoundly expounded because they also summarize the dialectic materialist internal relationship between the building of spiritual civilization and that of material civilization. The purpose of reform is to achieve development, but if we want to achieve development very satisfactorily, we must have a stable social environment. An organic integration between reform, development, and stability will enable the three to promote one another. It includes the building of both material civilization and spiritual civilization.

Professional ethics education is an aspect that ought to be included in the building of socialist spiritual civilization and an indispensable condition for establishing a socialist market economic order. "The Resolution of the CPC Central Committee on the Guiding Principle for the Building of Socialist Spiritual Civilization" pointed out: "We must make vigorous efforts to promote professional ethics in all trades and professions." Promoting professional ethics becomes particularly conspicuous and important in the process of shifting from the traditional planned economic system to a socialist market economic system.

High standards for professional ethics become increasingly necessary as a new socialist market economic system is gradually established and as socialist laws and regulations are gradually amplified. We are entirely capable of attaining these high standards because we have Marxism-Leninism-Mao Zedong Thought as our guidance, because we have accumulated both positive and negative experience in more than four decades after the founding of the People's Republic, and because we have a socialist system, the fine traditions of the party, and the traditional virtues of the Chinese nation. All these are our strong points. Meanwhile, we must also draw lessons from the Western countries' advanced experience in management and their successful employment of professional ethics education. While making unremitting efforts to successfully promote economic construction, we must pay close attention to successfully building spiritual civilization, and we must vigorously advocate regular education in and the study of professional ethics among all trades and professions in a bid to enable all citizens to live up to a code of conduct compatible with rapid social development, to conscientiously abide by their respective trades' and professions' standards of professional ethics, and to become a new generation of well-educated, well-disciplined people imbued with lofty ideals and moral values. If everyone in all trades and professions can "start cultivating professional ethics for himself or herself" to enable a social custom under which everyone observes professional ethics to take shape, the general mood of society will

surely improve, we shall certainly be able to promote the development of social productive forces, and the overall quality of our entire nation will surely be enhanced.

Commentator Hails Close of National Education Meeting

HK2106062494 Beijing RENMIN RIBAO in Chinese 18 Jun 94 p 1

[Commentator's article: "Resolutely Implement the Strategy of Giving Priority to the Development of Education—Hailing the Close of the National Education Work Conference"]

[Text] The national education work conference convened by the party Central Committee and the State Council has ended in triumph. This is an important conference to mobilize the whole party and all of society to further implement the strategy of giving priority to the development of education, and to seriously carry out the "Program for Education Reform and Development in China" in a new situation, in which the establishment of the socialist market economy structure and modernization are being accelerated in China. The meeting certainly will have a great influence on the realization of the strategic goal of educational reform and development in China in the 1990's, and on promoting reform, opening up, and modernization.

The rise or decline of a country is determined by education. This is particularly true of our country, which has a population of nearly 1.2 billion, with relatively insufficient resources and relatively backward economy and culture. One thing that has a decisive significance for the attainment of the magnificent goal of socialist modernization is to shift economic construction into the orbit of depending on the progress in science and technology and of improving the quality of laborers, and to raise the entire nation's level of ideology, ethics, science, and culture. It is precisely because of this that the CPC Central Committee has decided to put education in a strategic position, in which priority is given to its development. This is a far-sighted strategic policy decision, and is a matter of fundamental importance in the realization of modernization in our country.

Since the Third Plenary Session of the 11th CPC Central Committee, the broad masses of educational workers have worked industriously under the leadership of party committees and governments at all levels. They have rapidly developed the cause of education in our country, gradually carried out reform in education, made remarkable achievements in educational work, improved the quality of the people, trained large numbers of qualified personnel, and made an important contribution to our country's economic construction, scientific and technological progress, and social development. At the same time, we also should be aware that education in our country is still relatively backward, educational reform still lags behind the demands of the establishment of the socialist market economy structure, and educational

development still cannot meet the needs of modernization. The phenomenon of neglecting education—and of neglecting basic education, in particular—still exists to varying degrees in some localities and departments. These localities and departments lack a sense of urgency in educational reform and in practical work, and have not completely put education in a strategical position in which priority is given to its development. This situation demands prompt solution.

The most important thing in implementing the spirit of the national educational work conference and to carry out the "Program for Education Reform and Development in China" is to make great efforts to understand and implement the two words "giving priority" in "giving priority to the development of education." We should not just talk about "giving priority," write about it on paper, and discuss it at meetings, but should implement it in work and in deed. As far as planning and the arrangement of funds are concerned, party committees and governments at all levels, in studying and formulating development plans and annual plans, should ensure that priority is given to the development of education; in making arrangements for financial budget and spending, should ensure that priority is given to the needs of education; and in increasing wages for staff members and workers, should ensure that priority is given to raising the wages of teachers. As far as the arrangement and inspection of work are concerned, party committees and governments at all levels should give priority to the study and arrangements for educational work, and should give priority to summing up and inspecting educational work. As far as the appraisal and use of cadres are concerned, party committees and governments at all levels should give priority to the appraisal and use of cadres engaged in educational work and to the appraisal of how cadres at lower levels exercise leadership over educational work. They should give priority to promoting cadres who attach importance to education and have made achievements in work in leading posts in education. As far as commending and awarding the advanced is concerned, party committees and governments at all levels should give priority to commending and awarding advanced individuals and collectives that have worked industriously for the reform and development of education, have made selfless contributions, have obtained remarkable results in work, and really have made major attainments. For sometime to come in the future, we should make greater efforts, from top to bottom, to create the public opinion of "giving priority to education," to think of practical moves to "give priority to education," to do solid work to "give priority to education," and to get actual results in "giving priority to education." We should make unremitting efforts over a period of time to enable the strategy of giving priority to the development of education to strike root deeply in ideological concepts and in actual work. We should turn "giving priority to education" into the ideological habit of the people and the conscious demand in the arrangement of work, so that "giving priority to education" can become a common

practice in society. In this way, our country and our nation will be full of promise.

Ideology is the guide to action. To do a good job in implementing the spirit of the recent educational work conference, we must seriously study Comrade Jiang Zemin's important speech at the conference and Comrade Li Peng's theme report. In particular, we should seriously study and understand a series of expositions on education made by Comrade Deng Xiaoping. Comrade Xiaoping's ideas on education are the theoretical basis for our party to formulate the educational principles and policies for the new period, and are a powerful ideological weapon guiding educational reform and development. At the last national educational work conference nine years ago, Comrade Deng Xiaoping made an important speech entitled: "Seriously Grasp Education Work." (See Volume 3 of *Selected Works of Deng Xiaoping*.) He pointed out: "A leader who neglects education is a leader who lacks far-sightedness, is not mature, and is not able to lead modernization." Comrade Xiaoping hopes party committees and governments at all levels will grasp education work and will "not indulge in empty talk, but do more solid work." That speech was very good and what he said is still applicable to reality, even today. We suggest that leading comrades at all levels restudy it properly.

The key to revitalizing education lies in leadership. As long as the leadership of party committees and governments at all levels really implement the strategy of giving priority to the development of education, a new situation in which education in our country develops even more vigorously certainly will emerge!

Labor Activist Wang Jiaqi Details Escape

HK2106052794 Hong Kong SOUTH CHINA MORNING POST in English 21 Jun 94 pp 1, 10

[By a correspondent in New York]

[Text] A Chinese labour activist has described his dramatic escape from a detention centre.

Wang Jiaqi, who fled to Hong Kong on April 17, arrived in New York City on Sunday after spending time in another Western country.

In his first interview since leaving China, Mr Wang, a graduate law student at Beijing University, alleged that his arrest and subsequent incarceration was illegal.

The dissident's detention on March 2 is believed to be linked to the role he played in the formation of a League for the Protection of the Rights for Workers.

"I was arrested in Beijing by seven security agents who wore no uniforms," said Mr Wang, himself a Public security Bureau (PSB) officer in Tangshan before his enrolment at Beijing University.

"They refused to identify themselves, put a hood over my face, and practically abducted me."

The PSB held him prisoner in a hostel belonging to an electricity company in Changping district, Beijing, but rarely spoke to him.

After six days Mr Wang was handed over to PSB officials in his home town, Tangshan, 200 kilometres east of the capital, but even there he was held not in an official prison but in a semi-legal lock-up belonging to the local steel works.

After he staged a three-day hunger strike he was shifted to the barracks of the People's Armed Police in Tangshan, where he was kept in a room under 24 hour watch by three police.

PSB officials there made no attempt to question him, because, they told him, they had not been told why he had been arrested.

On the evening of March 27, helped by quick thinking, Mr Wang managed to dupe his guards and to escape while he was being escorted across a courtyard to a toilet.

"Three guards are supposed to be watching me all the time," Mr Wang said. "One of them got drunk and the other was cramming for an examination in an adjacent room."

As a result, only one guard was with him as he made a quick dash out of the open gates of the barracks.

Mr Wang said his escape was only successful because a truck passed the entrance of the barracks just as he ran out past the sentry.

He threw himself on to the vehicle and was able to get away into the centre of Tangshan before the guards could react.

"The barracks is not designed to hold prisoners," Mr Wang said. "And the sentries are on the look out for intruders from outside instead of preventing people from getting out."

The dissident also indicated he tried to make friends with the three guards, and the night of the escape, he succeeded in persuading the senior PSB officer to start drinking.

Within an hour of his escape every exit from Tangshan was sealed by police, and searches were carried out throughout the city.

But after a few days police, convinced that Mr Wang had fled in the hour before the checkpoints were in place, lifted the restrictions, and he was able to escape undetected to Beijing.

Planning or carrying out a prison escape is a capital offence in China, but Mr Wang said he was not frightened. In Beijing, Mr Wang contacted the "underground railway", a network of dissidents which arranged for him

to get to Hong Kong. He waited eight weeks before U.S. immigration authorities were able to complete entry procedures.

Mr Wang, who was doing post-graduate study in criminal procedure law at Beijing University, has gone to the U.S. as a visiting academic and has no intention of applying for asylum, he said. He is on a one-year research programme at Columbia University, New York, where he will continue research into Chinese law.

Two other legal experts Yuan Hongbing and Zhou Guoqiang, disappeared within a day of Mr Wang's arrest and have not been seen since. The three men had drawn up a five-point petition on labour rights which they had intended to present to China's National People's Congress. They had also planned to formally register the League, for which Mr Wang had written the constitution.

Mr Wang and legal experts he has talked to in the West said his virtual kidnap by unidentified security agents represented a disturbing new trend in Beijing's campaign against dissident intellectuals.

The use of unofficial or semi-legal lock-ups to hold political dissidents is also a new development, they said, and raised the possibility that dissidents could be held in any of the thousands of small prisons within state factories and police barracks to which no one outside China, and probably few locals, had access.

Mr Wang said that although he had worked in Tangshan as a police official for several years, he had never heard of the steel corporation prison in which he was held in March.

He said that official showed him a faxed copy of a detention order which appeared to justify his arrest, but it gave no legally recognisable description of the charge for which he was held.

"On the detention order they showed me the offence for which I was held was described as tuanhuo, a non-legal term with no precise definition and roughly corresponding to 'forming a conspiratorial group,'" said Mr Wang, who had refused to countersign the order.

In a message to China's leaders, Mr Wang said that since the Chinese Communist Party "represents the country on the international stage it should make great efforts to observe the rule of international law".

"The Party should have enough confidence to reform itself," said Mr Wang who remains strongly committed to non-violent reform in China and consider his work to be non-political.

Police Recruit College Graduates

*HK2106061094 Hong Kong MING PAO in Chinese
12 Jun 94 p b9*

[By special reporter Ching Chi (5428 2765): "Beijing Recruits College Graduates To Replenish Police, Which Are of Poor Quality and Short-Handed"]

[Text] At present, graduates from the public security schools and colleges in the mainland can hardly meet the needs of the police service in all localities. The poor quality of the police force, which is also short-handed, has become one of the major reasons for the failure to effectively contain crime. This year, the public security departments of Beijing and some other big cities, for the first time, will recruit police officers openly in society, and this will meet with a positive response from graduates of colleges and secondary vocational schools.

At a recent job orientation meeting for 1994 college and secondary vocational school graduates in Beijing, the Beijing Municipal Public Security Bureau, for the first time, openly recruited a number of policemen and policewomen from among applicants in society. Beyond many people's expectations, many college graduates showed interest in joining the police force. At the meeting, some 2,500 college and secondary vocational school graduates made inquiries, and 870 people—including 440 female college students—filled in forms to show their interest.

The practice of the police in Beijing showed that they were in need of competent personnel, and police in all parts of the country also face the same situation. According to statistics, the proportion of policemen and public security personnel to the national population now is greatly lower than in other countries. In particular, a large part of the police force in China is the armed police force, responsible for domestic security, and the proportion of the police force directly used to manage public order and check crimes is even smaller. In addition, the police force is prominently short of officers who know foreign languages and have mastered modern skills in police work.

In Beijing, the number of policemen and the proportion of the police troops to the local population are slightly higher than in other provinces and municipalities, but the police force in Beijing shoulders much heavier tasks than its counterparts in other localities. They not only have to maintain law and order in the capital and guarantee the security of major conferences, important visitors, and large cultural and sports events, but also have to guarantee the safety of foreign visitors. The image of the police in Beijing also reflects, to a certain degree, the image of the nation. Therefore, in addition to replenishing the police force in Beijing, the overall quality of the police force there also must be enhanced so that it can match Beijing's status.

According to statistics, however, only 14 percent of the policemen and policewomen in Beijing are college or

secondary vocational school graduates, and the percentage is six points lower than the national average. As Beijing now is becoming a modern international metropolis, this quality of the police force often causes embarrassment to the capital city. When some foreigners want to seek help from policemen, this may embarrass most policemen, who even do not know the simplest English words. In addition, the police force now still cannot proficiently operate the modern communications system, make scientific arrangements, and carry out effective management. A modern metropolis needs a high-quality guardian.

The responsible officials of the Public Security Ministry also are clearly aware of the hidden crisis in the quality of the police force. Zhu Chunlin, deputy director of the Political Department of the Public Security Ministry, said that it is necessary to enhance and improve the overall educational background and structure of the public security personnel and police officers. In particular, in order to modernize the means of public security, it is urgently necessary to recruit people who have received better education. The proportion of college graduates in the police force, especially that in Beijing, will be getting larger. The general educational condition of the police also will be raised.

At present, however, the public security schools in all parts of the country still cannot provide sufficient graduates to meet the needs of the police department. On the other hand, the educational background of the policemen and policewomen recruited openly in society remains at a comparatively low level, and the recruits must first receive a certain amount of training. Therefore, police recruitment must be linked with the competitive job market in order to attract more competent personnel, and should be opened to college graduates first. However, it is still unknown how many college students will have an interest in joining the police force.

This time, the job orientation meeting for the college graduates in Beijing brought unexpected gratification to the police in Mainland China. Applicants on that occasion included college graduates majoring in 63 branches of learning, including law, Chinese language, computer science, and foreign languages. There also were doctorate candidates, postgraduate students for master's degree courses, and college graduates holding double bachelor degrees. As the police recruitment action also was opened to females, this attracted a large number of female college students.

National Conference on Land-Use Rights Held

SK2106030694 Harbin Heilongjiang People's Radio Network in Mandarin 1000 GMT 20 Jun 94

[Text] The national on-the-spot meeting on selling the land-use rights of underdeveloped mountains, lands, beaches, grasslands, and water areas in order to improve the small valleys ended in Mudanjiang on 19 June. Zhou Wenzhi, vice minister of water resources, and Vice Governor Sun Kuiwen attended the conference.

State Councillor Chen Junsheng sent a letter to the conference. He said: The current practice of selling land-use rights of underdeveloped mountains, lands, beaches, grasslands, and water areas in order to improve the small valleys is the continuity and development of the implementation of the family-based output-related contract responsibility system in China's rural areas and a major move of using the market mechanism to mobilize thousands upon thousands of households to prevent soil erosion under the new situation. Its biggest advantage is to allow peasants to buy the land-use rights of underdeveloped mountains, lands, beaches, grasslands, and water areas in line with law in an effort to improve small valleys and let them boldly carry out diversified undertakings, inherit or resell the land-use rights. This will help promote the rational use of natural resources and further develop agricultural production.

At the conference, Shanxi, Shaanxi, and Shandong Provinces, and our province's Mudanjiang city and Muling County respectively introduced their experiences.

The participants visited the land-use right selling sites in (Fuqiang Village) and (Modaoshi) Town in Muling County to learn about the specific situations of these village and town after selling the land-use rights of underdeveloped mountains, lands, beaches, grasslands, and water areas. These wastelands caused by unplanned development have disrupted ecological balance which constitute a problem we must resolve. Muling County is located in the mountainous area. The reckless felling of trees in the mountains and unplanned development of wastelands in the past caused the soil eroded areas of Muling County to reach more than 2.2 million mu. Last year, this county adopted the method of selling the land-use rights of underdeveloped mountains, lands, beaches, grasslands, and water areas to peasants. If they cannot attain the improvement standards within the set time, the land-use rights will be recalled. This will make peasants treat the land-use rights for improving wastelands and mountains which they buy as their own affairs and accelerate the progress of improving the underdeveloped mountains, land, beaches, grasslands, and water areas. While improving the underdeveloped mountains and slopes, peasants may plant grass and trees on the mountain slopes, and interplant some economic crops. In less than six months, this county sold more than 120,000 mu of land-use rights of underdeveloped mountains, lands, beaches, grasslands, and water areas, thus becoming one of the counties in China where the selling of land-use rights of underdeveloped lands is fairly good.

Contest To Promote Use of Standard Mandarin

HK2106060794 Beijing CHINA DAILY in English
21 Jun 94 p 3

[By Gong Qian: "Accent Put on Standard Mandarin"]

[Text] A nationwide Putonghua—standard Mandarin—contest has been launched in a bid to promote a common spoken form of the Chinese language across the country.

Sponsored by the Central People's Broadcasting Station (CPBS) and the State Language Commission (SLC), "The Third National Putonghua Broadcasting Contest" is being staged to further spread the standard tongue and eliminate communication difficulties between people speaking different dialects.

The contest will be open to participants from 30 provinces and regions.

Each will be allowed to put forward two candidates to compete in the finals to be held in Beijing in October.

Entrants from Hong Kong, Macao and Taiwan will also take part in the competition.

Due to the huge expanse of the People's Republic, many regional dialects exist. With the development of a more integrated national economy, the problems created by people speaking local dialects has become ever more conspicuous.

"As the economic and personnel exchanges among regions increase, the need to learn Putongua has become acute!" said Zhong Zheming of the SLC, noting that many individual businessmen are trying to standardize their oral ability.

Furthermore, with the advent of speech from computer software, Putonghua is also needed as the basis for communications between machines and men.

Regulations on Registration of Vessels

OW1706110194 Beijing XINHUA Domestic Service
in Chinese 2135 GMT 13 Jun 94

[("Regulations of the People's Republic of China on the Registration of Vessels")]

[Text] Beijing, 14 Jun (XINHUA)

Chapter I. General Principles

Article 1. These regulations have been formulated for strengthening the state's supervision and management of vessels, and for safeguarding the legitimate rights and interests of all parties concerned in vessel registration.

Article 2. The following vessels shall be registered in accordance with the provisions in these regulations:

(1) Vessels of Chinese citizens who have residences or principal business offices in the PRC.

(2) Vessels of enterprise-type legal persons which have established principal business offices in the PRC in accordance with PRC laws. However, when there are foreign contributions to the legal persons' registered capital, Chinese investors' capital contributions shall not be lower than 50 percent.

(3) Official vessels of the PRC Government and vessels of institution-type legal persons.

(4) Other vessels, the registration of which is deemed necessary by the PRC's port supervisory organizations.

The registration of military vessels, fishing vessels, and sports boats shall be handled in accordance with the provisions of relevant laws and regulations.

Article 3. Vessels shall navigate under the PRC national flag only after they have been registered and acquired PRC nationality in accordance with the law. Vessels which have not been registered may not fly the PRC national flag.

Article 4. Vessels shall not possess dual nationality. All vessels registered abroad may not acquire PRC nationality without having discontinued or canceled the originally registered nationality.

Article 5. The acquisition, transfer, and cessation of vessel ownership shall be registered with shipping registration offices. No challenges shall be mounted against third parties in the absence of registration.

Vessels owned jointly by two or more legal persons or individuals shall be registered with vessel registration offices. No challenges shall be mounted against third parties in the absence of registration.

Article 6. The establishment, transfer, and cessation of vessel mortgage and bareboat charter rights shall be registered with vessel registration offices. No challenges shall be mounted against third parties in the absence of registration.

Article 7. Ship crews of Chinese-flagged vessels shall be Chinese citizens. Approval shall be obtained from the State Council's communications department when it becomes necessary to employ foreign ship crews.

Ship crews on Chinese-flagged vessels who shall possess eligibility certificates must hold PRC sailor eligibility certificates.

Article 8. PRC port supervisory organizations shall be organizations in charge of vessel registration.

Port supervisory organizations at various ports are organs which specifically attend to vessel registration (hereinafter referred to as shipping registration offices), and the scope of their jurisdiction shall be determined by the PRC port supervisory authority.

Article 9. A vessel's port of registration shall be the home port.

A shipowner shall select the port of registration in the vicinity of his residence or principal business office, but shall not select two or more ports of registration.

Article 10. A vessel is permitted to use only one name.

A vessel's name shall be approved by the shipping registration office at the home port. It may not be identical to or homophonous with any previously registered name.

Article 11. A shipping registration office shall set up a shipping register.

A shipping registration office shall permit interested parties to review its shipping register.

Article 12. Where a state-owned vessel is run and managed by a state-owned enterprise which has been accorded the status of a legal person by the state, the provisions regarding shipowners in these regulations shall apply to the said legal person.

Chapter II. Ship Ownership Registration

Article 13. In applying for ship ownership registration, a shipowner shall submit to the shipping registration office at the home port documents which adequately attest to its legal status, as well as the originals and copies of shipping technical data and documents certifying the acquisition of ship ownership.

In applying to register the ownership of a bought vessel, the following documents shall be submitted:

(1) The vessel's purchase invoice or sales contract and handover documents;

(2) A certificate issued by the shipping registration office at the vessel's original home port testifying to the deregistration of ship ownership; and

(3) Documents certifying that the vessel has not been mortgaged or documents in which the mortgagee agrees to transfer the mortgaged vessel to another party.

In applying to register the ownership of a newly built vessel, the shipbuilding contract and handover documents shall be submitted. In applying to register the ownership of a vessel under construction, however, only the shipbuilding contract shall be submitted. In applying to register the ownership of a vessel built by oneself for private use, documents which adequately attest to the acquisition of ownership shall be submitted.

In applying to register the ownership of a vessel which was inherited, given as a gift, auctioned in accordance with the law, or acquired according to a court verdict, a document certifying the acquisition of ship ownership which is as binding as one with legal force shall be submitted.

Article 14. The shipping registration office at the home port shall examine and verify an application for ship ownership registration. If the application conforms to the provisions in these regulations, the shipping registration office shall issue a ship ownership registration certificate to the shipowner within seven days of receiving the application, assign a ship registration number, and enter the following information in the shipping register:

(1) The vessel's name and call sign;

(2) The home port, registration number, and registered logo;

- (3) The shipowner's name and address, as well as the name of the shipowner's legal representative;
- (4) The method and date of acquiring ship ownership;
- (5) The date of registering ship ownership;
- (6) The shipbuilder's name and the shipbuilding date and site;
- (7) The vessel's value, hull materials, and the major shipping technical data;
- (8) The vessel's previous name, original home port, and the date on which the original registration was canceled or terminated;
- (9) Information on co-ownership if the vessel is jointly owned by several people;
- (10) The name and address of the bareboat charterer or ship operator, as well as the name of its legal representative, if the shipowner does not actually use or control the vessel; and
- (11) Information on any mortgage arrangements if the vessel has been mortgaged.

Where the application does not conform to the provisions in these regulations, the shipping registration office shall issue a written notice to the shipowner within seven days of receiving the application.

Chapter III. Ship Nationality

Article 15. When shipowners apply for their vessels' nationality, they shall submit, for verification purposes, the following documents depending on the vessels' navigation areas, in addition to ship ownership registration certificates obtained in accordance with these regulations:

- (1) Owners of ships on international navigation routes shall submit, for verification purposes, the following valid shipping technical certificates, depending on the type of ship, issued by legal ship inspection organs:
 1. international tonnage measurement certificate;
 2. international ship load line certificate;
 3. cargo ship's structural safety certificate;
 4. cargo ship's equipment safety certificate;
 5. certificate of maximum capacity of passengers;
 6. passenger ship's safety certificate;
 7. cargo ship's wireless and telegraph equipment safety certificate;
 8. international certificate for the prevention of oil contamination;
 9. ship's navigation safety certificate; and

- 10. other relevant technical certificates.

(2) Owners of ships on domestic navigation routes shall submit the ship inspection certificate and other valid shipping technical certificates, depending on the type of ship, issued by legal ship inspection organs for verification.

When owners of foreign-flagged vessels which are purchased abroad apply for nationality for their vessels in China, they shall also provide documents issued by the ship registration offices at the home ports certifying the deregistration of the ships' original nationality or documents certifying that such vessels' original nationality will be deregistered immediately at the time of their reregistration.

Ship registration offices at the home ports shall grant approval and issue ship nationality certificates if they find such vessels to be in conformity with the provisions contained in these regulations.

Article 16. After the applications submitted by shipowners to register their vessels in accordance with Article 13 of these regulations are approved, ship registration offices shall issue ship nationality certificates. The period of validity of such certificates is five years.

Article 17. When selling newly built vessels to foreign buyers, shipowners shall submit documents certifying the acquisition of the ownership of such vessels together with valid shipping technical certificates to ship registration offices at the places where such vessels are built to apply for interim ship nationality certificates.

When buying newly built vessels from abroad, shipowners shall submit documents certifying the acquisition of the ownership of such vessels together with valid shipping technical certificates to PRC embassies and consulates abroad to apply for interim ship nationality certificates.

If applications for interim shipping nationality certificates are necessary for vessels built at places other than those of shipowners' registered business operations in China, the shipowners shall submit shipbuilding contracts, documents for the hand over of such vessels, and valid shipping technical certificates to the ship registration offices at the places where such vessels are being built to apply for interim ship nationality certificates.

If vessels are built abroad, shipowners shall submit shipbuilding contracts, documents for the hand over of such vessels, and valid shipping technical certificates to PRC embassies and consulates abroad to apply for interim ship nationality certificates.

When chartering vessels from abroad under bareboat conditions, charterers shall submit bareboat charter parties together with documents certifying the termination or deregistration of the vessels' original nationality issued by the ship registration offices at their original

home ports or documents certifying the immediate termination or deregistration of the vessels' original nationality upon their reregistration to ship registration offices to apply for interim ship nationality certificates.

Ship registration offices or PRC embassies and consulates abroad shall grant approval and issue interim ship nationality certificates for vessels found to be in conformity with the provisions of these regulations.

Article 18. The period of validity of an interim ship nationality certificate usually shall not exceed one year.

The period of validity of an interim ship nationality certificate for a vessel chartered from abroad under bareboat conditions may be determined by its charter period, but it must not exceed a maximum of two years. In case the term of a bareboat charter party exceeds two years, the charterer shall apply for another interim ship nationality certificate at the ship registration office at the home port within the validity period of the certificate.

Article 19. An interim ship nationality certificate has the same legal validity as a ship nationality certificate.

Chapter IV. Registration of Mortgage of Vessels

Article 20. When a mortgage is placed on a vessel with a gross tonnage of more than 20 tons, the mortgagee and the mortgager shall apply to register the mortgage at the ship registration office at the home port by showing the following documents:

- (1) an application signed by both mortgagee and mortgager;
- (2) ship ownership registration certificate or ship-building contract; and
- (3) mortgage contract.

If other mortgages have been placed on the vessel, the owner shall provide relevant documents to prove this fact.

If a mortgage is placed on a vessel owned by more than one person, it is necessary to provide a document showing the consent of more than two-thirds of the co-owners, or the agreed-upon number of co-owners.

Article 21. If the application is found to be in conformity with these regulations, the home port ship registration office shall record the mortgagee, mortgager, the mortgage arrangements, and the mortgage registration date into the shipping register and the ship ownership certificate, and it shall issue a certificate of mortgage registration to the mortgagee within seven days after receiving the application.

Article 22. The mortgage registry shall contain the following major entries:

- (1) names and addresses of the mortgagee and the mortgager;

(2) name, country of origin, and issuing organ and ship ownership registration number; and

(3) amount of mortgage, interest rate, and repayment date.

The ship registration office shall permit the public to inquire about the situation of the mortgage registry of a vessel.

Article 23. If a vessel's mortgage is transferred, the mortgagee and the transferee shall apply to register the mortgage transfer at the home port ship registration office by showing the mortgage transfer contract.

If the application is found to be in conformity with these regulations, the home port ship registration office shall enter the transferee as the new mortgagee into the shipping register and the ownership registration certificate, issue a certificate of mortgage registration to the transferee, and seal up for safekeeping the old certificate of mortgage registration.

The mortgagee shall inform the mortgager before making the mortgage transfer.

Article 24. If two or more mortgages are placed on a vessel, the ship registration office shall record the mortgages in the order of the application dates, and enter the dates into the shipping register.

The date of application for mortgage registration is the date of mortgage registration. If two or more mortgages are filed to be registered on the same day, their registration dates shall be the same.

Chapter V. Bareboat Charter Registration

Article 25. The shipowner and the charterer shall apply to register a bareboat charter under one of the following conditions:

- (1) a vessel of Chinese registry is chartered to a Chinese enterprise under bareboat conditions;
- (2) a Chinese enterprise charters a vessel of foreign registry under bareboat conditions; or
- (3) a vessel of Chinese registry is chartered to a charterer outside China under bareboat conditions.

Article 26. Before a vessel is chartered and if the charter takes place in China, the owner and the charterer shall apply for registration of the bareboat charter at the home port ship registration office by showing the ship ownership registration certificate, the ship nationality certificates, and the original and a copy of the bareboat charter party.

If the application is found to be in conformity with these regulations, the home port ship registration office shall record the charter arrangements into the ship ownership registration certificate and the shipping register, and issue two copies of bareboat charter registration certificate, one to the owner and the other to the charterer.

Article 27. If a vessel is chartered to a charterer outside China under bareboat conditions, the owner shall apply for registration of bareboat charter at the home port ship registration office by showing the documents specified in Article 26 of these regulations.

If the application is found to be in conformity with these regulations, the home port ship registration office shall suspend or cancel the vessel's nationality according to stipulations of Article 42 of these regulations, and issue a certificate of bareboat charter registration in duplicate.

Article 28. If a vessel is chartered from outside China under bareboat conditions, the charterer shall establish the home port according to Article 9 of these regulations, and before the vessel is chartered, apply for registration of the bareboat charter at the ship registration office by showing the following documents:

- (1) the original and a copy of the bareboat charter party;
- (2) a valid shipping technical certificate issued by a legal ship inspection organ; and
- (3) a certificate of the vessel's suspended or canceled nationality, or a certificate of suspension or cancellation of the vessel's nationality immediately upon reregistration, issued by the ship registration office of the original home port.

If the application is found to be in conformity with these regulations, the ship registration office shall issue a certificate of bareboat charter registration, and according to Article 17 of these regulations, issue an interim ship nationality certificate, and record the original country of registry in the shipping register.

Article 29. If the bareboat charter is to be extended, the owner and the charterer shall apply for registration of the extended charter at the ship registration office 15 days prior to the expiration of the bareboat charter party by showing the certificate of bareboat charter registration and the original and a copy of the extended charter party.

Article 30. Without the owner's written consent, the charterer shall not apply for registration of a bareboat charter transfer during the bareboat charter period.

Chapter VI. Ship's Markings and Company Flag

Article 31. A vessel shall have the following markings:

- (1) Name of vessel on both sides of the bow and on the stern;
- (2) the home port below the name of the vessel on the stern;
- (3) the Chinese phonetic alphabet below the Chinese characters of the name of the vessel and the home port;
- (4) marked waterline on both sides of the bow and stern; and
- (5) marked load line on both sides of the hull amidships.

The name of the vessel and the home port shall be indicated on other prominent positions on the vessel if they cannot be indicated on the positions specified above due to restrictions imposed by the ship's model or size.

Article 32. When a shipowner wants to establish a logo for his ship's funnel or a flag for his company, he may submit a registration application to the home port's ship registration office and provide the designs according to prescribed standards.

Article 33. Vessels of the same company are allowed to use only one funnel logo and company flag.

The home port's ship registration office shall examine the vessel's funnel logo and the company flag.

A vessel's funnel logo and the company flag may not be identical or similar to those that have already been registered.

Article 34. A home port's ship registration office shall announce a vessel's funnel logo and the company flag the registration of which has been approved.

The logo on a vessel's funnel and the flag of the company are for the exclusive use of the registration applicant, and other vessels or companies may not use them.

Chapter VII. Registration Change and Cancellation

Article 35. When a vessel has to change its registration, the shipowner shall have the registration changed at the home port's ship registration office by producing relevant documents proving the vessel's registration and changes.

Article 36. When a vessel changes its home port, the shipowner shall apply for the changes at the original home port's ship registration office by producing the ship nationality certificate and documents attesting to the changes. If the application conforms to these regulations, the original home port's ship registration office shall state so in the designated space in the ship nationality certificate and refer the relevant registration records to the new home port's registration office, and the shipowner shall have the registration processed at the new home port's registration office.

Article 37. When changes occur in a vessel's co-ownership, the shipowners shall have the changes registered at the home port's registration office, bringing along with them the ship ownership registration certificate and documents proving changes in the vessel's co-ownership.

Article 38. When the contract of a vessel's mortgage has changed, the mortgagee and the mortgagor shall register the changes at the home port's registration office, bringing with them the ship ownership registration certificate, the ship mortgage registration certificate, and documents proving changes in the mortgage contract.

When these documents have been found to be in line with these regulations, the home port's ship registration office shall state the changes in the ship ownership registration certificate, the ship mortgage registration certificate, and the shipping register.

Article 39. When the ship ownership changes, the original shipowner shall have the ship ownership registration, the ship nationality certificate, and other relevant documents deregistered at the home port's registration office.

When the deregistration request is in line with these regulations, the home port's ship registration office shall cancel the registration of the ship's ownership and other relevant information in the shipping register, recall the relevant registration certificates, and issue a deregistration certificate to the original shipowner. For vessels sold outside China, the ship registration office may, in accordance with the actual situation, issue a certificate proving the deregistration of the vessel's nationality, or a certificate proving the immediate deregistration of the vessel's nationality when it reregisters.

Article 40. When a vessel perishes (including its dismantling or sinking) or when it disappears, the shipowner shall, within three months of the ship's perishment (including its dismantling or sinking) or disappearance, have the vessel deregistered at the home port's ship registration office, showing the ship ownership registration certificate, the ship nationality certificate, and documents proving the ship's perishment (including its dismantling and sinking) or its disappearance. When the facts have been verified, the home port's ship registration office shall remove the vessel's registration from the shipping register, recall the relevant registration documents, and issue a deregistration certificate to the shipowner.

Article 41. When a contract of a vessel's mortgage is terminated, the mortgagee and the mortgagor shall attend to deregistration procedures at the home port's ship registration office by producing the ship ownership registration certificate, the ship mortgage registration certificate, and the document with the mortgagee's signature about terminating the mortgage contract. If the application is found to be in conformity with these regulations, the ship registration office shall delete registered information about the mortgage from the ship ownership registration certificate and the shipping register.

Article 42. For vessels chartered outside China under bareboat conditions, the charterer, in addition to registering the bareboat charter according to Article 27 of these regulations, shall also have the termination or deregistration of the vessel's nationality processed. The home port's ship registration office shall keep the original ship nationality certificate and issue a certificate proving the termination or deregistration of the vessel's nationality. Under special circumstances, the home port's ship registration office may issue a certificate on

the immediate termination or deregistration of the vessel's nationality when it reregisters.

Article 43. Where a bareboat charter party expires or the relations involved in such a charter party are terminated, the shipowner shall have the bareboat charter deregistered at the ship registration office at the home port within 15 days of the expiration or termination by producing the ship ownership registration certificate, the bareboat charter party, or a document certifying the termination of bareboat charter relations.

Where a vessel is chartered under bareboat conditions to a charterer outside China, the shipowner shall also produce a certificate issued by the ship registration office at the place where the charterer resides testifying to the cancellation of the vessel's nationality or the cancellation of her nationality immediately upon reregistration.

After verification and approval, the ship registration office at the home port shall delete bareboat charter information it has entered in the ship ownership registration certificate and the shipping register. It shall also return the vessel's original nationality certificate.

Article 44. Where a vessel is chartered under bareboat conditions, the charterer shall attend to deregistration procedures at the ship registration office at the home port within 15 days of the bareboat charter party's expiration or the termination of bareboat charter relations by producing the bareboat charter party or a document certifying the termination of bareboat charter relations.

Where a vessel is chartered under bareboat conditions from abroad, an interim ship nationality certificate shall also be produced.

After verification and approval, the ship registration office at the home port shall delete bareboat charter information it has entered in the shipping register, retake the interim ship nationality certificate, and issue certificates attesting to bareboat charter deregistration and the cancellation of the vessel's interim nationality.

Chapter VIII. Changing and Replacing Ship Ownership Registration Certificates and Ship Nationality Certificates

Article 45. Within one year before the ship nationality certificate expires, a shipowner shall attend to change-of-certificate procedures at the ship registration office at the home port by producing the ship nationality certificate and a valid shipping technical certificate.

Article 46. Where a ship ownership registration certificate or a ship nationality certificate cannot be used because it has been smudged or damaged, the certificate holder shall apply for a new one at the ship registration office at the home port.

Article 47. Where a ship ownership registration certificate or a ship nationality certificate has been lost, the certificate holder shall explain the reasons in writing,

attach relevant evidentiary documents, and apply for a replacement at the ship registration office at the home port.

The ship registration office at the home port shall run a public notice in the local press nullifying the original certificate.

Article 48. Upon learning that the ship nationality certificate has been lost, smudged, or damaged outside China, a shipowner shall apply for an interim ship nationality certificate at a PRC embassy or consulate. However, the shipowner shall promptly apply for a new certificate at the ship registration office at the home port after arriving in the first port of the home country.

Chapter IX. Legal Responsibilities

Article 49. Where a vessel sails fraudulently under the PRC nationality and flag, the ship registration office shall confiscate the vessel in accordance with the law.

The provisions in the preceding paragraph shall apply to a Chinese-flagged vessel sailing fraudulently under a foreign nationality and flag.

Article 50. Where a dual nationality arises from the concealment of registered information in or outside China, the ship registration office at the home port shall revoke the ship nationality certificate and impose the following fines depending on the circumstances:

- (1) A fine not less than 2,000 yuan but not more than 10,000 yuan for a 500-ton vessel or smaller;
- (2) A fine not less than 10,000 yuan but not more than 50,000 yuan for a vessel ranging from 501 to 10,000 tons; and
- (3) A fine not less than 50,000 yuan but not more than 200,000 yuan for a 10,001-ton vessel or larger.

Article 51. In any of the following circumstances in contravention of the provisions in these regulations, the ship registration office at the home port may issue a warning, impose a fine of 50 percent of the amounts specified in Article 50 of these regulations depending on the vessel's tonnage, or even confiscate the ship registration certificate:

- (1) Concealing the truth or providing false information during registration procedures;
- (2) concealing registered information which results in a duplication of registration; and
- (3) falsifying or altering the ship registration certificate.

Article 52. Where alteration or deregistration procedures are not attended to in accordance with relevant provisions, or where an expired ship nationality certificate or an interim ship nationality certificate is used, the ship registration office at the home port shall mandate the completion of relevant registration procedures. If the circumstances are serious, a fine of 10 percent of the

amounts specified in Article 50 of these regulations shall be imposed depending on the vessel's tonnage.

Article 53. Where foreign ship crews are employed without authorization, or a funnel logo and company flag that have previously been registered by another party are used in violation of the provisions in these regulations, the ship registration office at the home port shall mandate corrective actions. If the shipowner refuses to take such actions, the ship registration office may impose a fine of 10 percent of the amounts specified in Article 50 of these regulations depending on the vessel's tonnage. If the circumstances are serious, the shipping registration office may revoke the ship nationality certificate or the interim ship nationality certificate.

Article 54. Where an employee at the shipping registration office abuses his or her power, practices favoritism or fraud, neglects his or her duties, or commits gross dereliction of duty, the unit where that employee works or the next higher organ shall take disciplinary action. If the employee's action constitutes a crime, his or her criminal liability shall be investigated in accordance with the law.

Article 55. Where the party concerned disagrees with a specific administrative action taken by the ship registration office, he or she may apply for reconsideration or file an administrative lawsuit in accordance with relevant state laws and administrative statutes.

Chapter X. Supplementary Provisions

Article 56. The following terms used in these regulations are defined as:

- (1) "Vessels" refer to all types of motorized or nonmotorized craft and other seaborne mobile units, not including lifeboats or life rafts on board or boats and rafts shorter than 5 meters.
- (2) "Fishing vessels" refer to vessels engaged in fishery production, as well as vessels which belong to the aquatic production sector and serve the fisheries.
- (3) "Official vessels" refer to vessels used for purposes of government administration and management.

Article 57. Except for official vessels, a ship registration office shall charge ship registration fees in accordance with relevant provisions. The State Council's departments in charge of finance and commodity prices, along with the State Council's administrative department in charge of communications, shall set the standards for ship registration fees and draw up administrative measures.

Article 58. The formats of shipping registers, ship nationality certificates, interim ship nationality certificates, ship ownership registration certificates, ship mortgage registration certificates, bareboat charter registration certificates, applications, and other certificates shall be worked out under the PRC port supervisory authority's unified plans.

Article 59. These regulations shall take effect on 1 January 1995.

Report on Crime, Punishment for 1-17 Jun

HK1706132294

[Editorial Report] The following is a compilation of reports on crime, investigations, trials, sentencing, and other judicial-related activities in the PRC monitored by Hong Kong Bureau during the period 1 to 16 June. The source and mode of processing are given in parentheses at the end of each entry. Certain reports deemed more significant may have been filed separately, in which case the summary will include the serial number of the separately filed item.

As evidenced by the stories listed below, during the month PRC crime reportage focused on no single issue.

National

Supreme People's Court Promulgates Regulations on Economic Crime

The Supreme People's Court and Supreme People's Procuratorate recently promulgated regulations on applying the law to handling cases of forging, selling, and stealing business bills and receipts to firmly crack down on these criminal activities and to ensure smooth implementation of the new taxation system. In accordance with the regulations, anyone illegally issuing false bills of 50,000 yuan and over, or issues false special bills for value-added taxes of 10,000 yuan or more, will be brought to justice for affixing criminal responsibility. The regulations are effective 3 June 1994. (Summary) (Beijing ZHONGGUO XINWEN SHE in Chinese 1225 GMT 6 Jun 94)

Over 2,000 Smuggling Cases Uncovered in First Quarter

According to the General Administration of Customs, some 2,348 smuggling cases have been uncovered during the first quarter of this year involving 880 million renminbi. Since the national meeting on cracking down on smuggling in August last year, remarkable results have been achieved in staging antismuggling campaigns and the trend of smuggling cars has been curbed. Heads of the relevant departments under the State Council and the judicial departments from 13 provinces, autonomous regions, and municipalities are now meeting in Dalian City, Liaoning Province, to plan future antismuggling work. (Summary) (Beijing ZHONGGUO XINWEN SHE in English 1138 GMT 16 Jun 94)

Drive in Rural Areas To Concentrate Attack on Four Types of Criminal

A member of the CCPC Central Commission on Political Science and Laws recently stressed that rectifying public security in rural areas is part and parcel of the 1994 task of improving all facets of public security. The department concerned will take "major steps" to crack

down mainly on four types of criminals so that the public security in rural areas will be markedly improved within a short period. The four criminal types are: One, local riffraff, rural despots, hooligans, and other evil forces, especially robbery gangs and criminal organizations close to the underworld; two, train robbers, highwaymen, pirates, and those engaged in murder, robbery, causing explosions, and rape using force; three, serious criminals guilty of destroying railroads and telecommunications and production equipment or stealing state assets; and four, those who organize prostitution, engage in drug trafficking, abduct and sell women and children, defraud others of their money through superstition and the manufacture and distribution of obscene items, and who organize gambling. (Summary) (Hong Kong ZHONGGUO TONGXUN ZHE in Chinese 0915 GMT 11 Jun 94)

First Quarter Statistics Show 9.2 Percent Increase in Crime

Public security organs recorded nearly 300,000 criminal cases during the first quarter, up 9.2 percent. Of these, 120,000 were serious, up 23.1 percent. Robbery remained one of the most serious crimes with 30,316 recorded, up 9.8 percent. There were 6,196 murders, up 8.9 percent, most of which resulted from personal disagreements and disputes. Fraud cases showed a 16.3 percent increase overall with serious cases registering a 31.5 percent rise. Smuggling cases were down 17.6 percent but following the ban by the State Tobacco Bureau on imported cigarettes there has been a spate of smuggling cases involving foreign cigarettes. (Summary) (Beijing FAZHI RIBAO in Chinese 2 May 94 p 3) (Filed as HK2605152594)

Stepped Up Antidrugs Operations Reap Rewards

Stepped up antidrugs operations since early this year have resulted in 2,000 solved cases, almost double the number last year, and the seizure of 2,000 kg of drugs. Public security organs in southwest border provinces and regions, and along the south east coast—Yunnan, Guangxi, Fujian, and Guangdong—have increased reconnaissance and border and coastal interceptions. Yunnan solved 900 cases in the first quarter, seizing over 700 kg of heroin. Guangxi and Guangdong solved over 400 cases, arresting a number of drug traffickers from outside the borders. Fujian solved 22 cases, seized almost 40 kg of drugs, and arrested 57 suspects, some of Taiwan origin. The public security organs made a point of mobilizing and relying on the masses to launch a people's war against drugs. (Summary) (Beijing RENMIN RIBAO in Chinese 26 Apr 94 p 3) (Filed as HK2205054494)

Provincial

Beijing**Public Security Bureau Hold Rally To Commend Economic Policeman**

Beijing Municipal Public Security Bureau held a rally 31 May to commend Ji Gang for his contributions to economic development. Ji Gang is a policeman who works at the Shoudi Iron and Steel Company and is responsible for overseeing economic activities. On the night of 6 May he was seriously injured when tackling criminals who were stealing electric cables from the company. Ji is one of more than 10,000 such policemen who guard major economic departments in Beijing. They are divided into 16 detachments under the unified control of the Public Security Bureau. Ji has been a member of the force for seven years during which time he has thwarted over 300 attempted thefts and recovered economic losses of over 50,000 yuan. (Summary) (Beijing ZHONGGUO XINWEN SHE in Chinese 1332 GMT 31 May 94)

Number of Karaoke Lounges Offering Sex Services Grows Rapidly

The number of karaoke lounges which provide sex services has grown rapidly in the last two years. At first these lounges only provided female escorts for singing, entertaining, and wining and dining but now they are supplying prostitutes. To circumvent supervision by the police and cultural departments the bosses of these lounges hired people to keep a lookout and installed alarms. From January to May this year, the Beijing police cracked down on 47 illegally-operated lounges. Of these, three were banned, 16 were closed down, and 28 were ordered to stop operations for consolidation. The police prosecuted 178 lounge bosses, girls, and others. (Summary) (Hong Kong ZHONGGUO TONGXUN SHE 13 Jun 94)

Fujian**Fuzhou Police Crack Gambling Ring**

Jinfeng Public Security Subbureau, Changde City in Fuzhou, Fujian Province, recently cracked a gambling ring operated by 34 people in a remote mountainous village. Gamblers were attracted from Changde and Fuzhou as the ring offered transport services and free food. The ring made nearly 60,000 in profits within two weeks. The police arrested 34 gamblers and ring organizers and also seized nine motorcycles, cellular phones, and gambling devices. (Summary) (Beijing ZHONGGUO XINWEN SHE in Chinese 0534 GMT 7 Jun 94)

Procuratorial Organs Intensify Fight Against Serious Crime

Fujian procuratorial organs have intensified their fight against serious crime. From January to April this year, 5,490 criminal cases of all kinds were heard and 4,995 of these cases have been wound up. Approval was given to

arrest 4,732 people and public security and state security organs laid charges against 4,902 people, 4,112 of whom have been brought to open trial. (Summary) (Fuzhou Fujian People's Radio in Mandarin 2300 GMT 3 Jun 94)

Xiamen Crackdown Nets Over 300 Criminals

After a chorus of complaints from foreign businessmen in Xiamen Special Economic Zone about kidnappings, theft, and extortion, Fujian Public Security Bureau ordered a crackdown. A total of 334 people were detained in two raids on residential areas surrounding industrial zones in the city. Included in this total were 27 criminal gangs. This action was part of a "100 days to clean up social order" campaign begun in March by local police which also included crackdowns on auto theft and prostitution. Those detained were mostly involved in stealing expensive imported materials or personal belongings from foreign investors. Xiamen accounts for 39 percent of Fujian's exports and provincial officials are concerned about a loss of foreign investment if the crime wave continues. A Xiamen Public Security Bureau official said that the majority of the suspects would probably be sent to labor reeducation camps in remote localities, a disciplinary measure which police in China can impose without the approval of the courts. Serious offenders would be formally arrested and passed on to the judicial authorities. Death sentences were likely for some of those passed on to the courts but most would be given prison terms the official said. (Summary) (Hong Kong EASTERN EXPRESS in English 4 Jun 94 p 9)

Xiamen Police Crack Kidnapping Case

On 14 June the Xiamen police cracked a serious kidnapping case. They arrested a suspect who is believed to have kidnapped the nine-year-old offspring of a Hong Kong engineer working in a joint-venture in Xiamen and who tried to extort 300,000 yuan from him. (Summary) (Beijing ZHONGGUO XINWEN SHE in Mandarin 1331 GMT 15 Jun 94)

Two Sentenced to Death in Xiamen For Embezzlement

Two young men were recently sentenced to death for embezzlement. Wu Jie, 25, was found guilty by the Xiamen Intermediate People's Court of embezzling 140,000 yuan of public money between September 1992 and July 1993 when he was cashier of the Xiamen branch of the Fourth Design Institute of the Ministry of Chemical Industry. When his crime was discovered Wu absconded with 6,500 yuan in cash. After the first trial Wu was sentenced to death. Chen Wenlin, 24, a former computer systems administrator in the Xinglin subbranch of the Industrial and Commercial Bank of China in Xiamen, embezzled 500,000 yuan in January 1994. When his crime was discovered he returned 483,500 yuan and his family made up the missing amount. As he showed repentance, the court sentenced him to death with a two year reprieve. (Summary) (Beijing ZHONGGUO XINWEN SHE in Chinese 1354 GMT 8 Jun 94)

Gansu**Lanzhou City Sentences Twenty to Death For Murder, Corruption**

At a sentencing rally in Lanzhou City 20 May, the Intermediate People's Court sentenced three offenders accused of corruption and embezzlement to death according to the law. From June to September Li Qingyong, an accountant in the audit department of Lanzhou Aluminum Plant, misappropriated 2.416 million yuan in public funds and gave it to Liu Bin, manager of the Yida Economic Development Company, a private enterprise in Lanzhou, and to the criminal Lin Wenqi to squander. After the case was cracked, over 1.808 million yuan were retrieved. From January 1987 to July 1989, Gao Hongyin, a cashier in the Lanzhou Department Store, embezzled over 298,000 yuan in business receipts and all but around 40,000 yuan was spent. Li Qingyong, Liu Bin, and Gao Hongyin were sentenced to death and escorted to the execution ground immediately after the rally. In addition, 17 murderers, robbers, those causing bodily harm, and thieves were also sentenced to death and executed. (Summary) (Lanzhou GANSU RIBAO in Chinese 21 May 94 p 1)

Guangdong**Public Security Department Cracks Down on Auto Thefts**

Guangdong Public Security Department in the four years from 1990 to 1993, 640, 11,500, 19,500, and 30,600 automobiles respectively were stolen. Vehicles stolen last year alone created economic losses of over 100 million yuan, accounting for half of all economic losses from criminal cases. In a month-long drive, more than 120,000 policemen were dispatched to intercept and check suspect vehicles. They broke up 497 auto theft rings and arrested 2,496 auto thieves; recovered 353 stolen autos and 1,975 motorcycles; and smashed 137 centers involved in selling stolen cars. (Summary) (Hong Kong WEN WEI PO in Chinese 3 Jun 94 p B18)

Shenzhen Uncovers Nine Swindling Cases

Shenzhen's financial organs have discovered nine cases of swindling during the first quarter, a small increase over last year. A total of 21.43 million yuan was involved. As Shenzhen has one of China's two largest stock exchanges these and other types of criminal cases, such as forged company chops, documents, checks, invoices, remittance notes, and banknotes are on the rise due to loopholes and inexperienced management. (Summary) (Hong Kong ZHONGGUO TONGXUN SHE 0603 GMT 3 Jun)

Shenzhen Intermediate People's Court Sentences Embezzler to Death

Shenzhen City's Intermediate People's Court recently concluded the first trial of Li Jianhua's case and sentenced the accused to death and deprived him of political rights for life. Li, 41, was deputy general manager of

the Shenzhen Branch of the China Foreign Trade Transportation Corporation and also general manager of a China-owned company in Hong Kong. He was accused of embezzling some \$1.53 million Hong Kong, using the money to gamble and repay his gambling debts. The Guangdong Provincial Higher People's Court is now handling Li's appeal and conducting the second and last trial of the case. (Summary) (Beijing ZHONGGUO XINWEN SHE in Chinese 1315 GMT 6 Jun 94)

Shenzhen Airport Uncovers Cases of Gun-Carrying Passengers

Shenzhen Airport recently cracked a case of a passenger illegally carrying a gun. At 0740 on 6 June, when inspecting the luggage of passengers for a flight bound for Wuhan, the personnel operating the X-ray machine spotted something suspicious. On opening the bag they discovered an especially large lighter with two holes, one for the flint but the other was relatively large. They dismantled the lighter and discovered two bullets inside, proving it to be a disguised mini-pistol. The passenger, called Bao Jianhua who comes from Wuhan, and two others traveling with him were detained. This is the 17th case discovered by airport security this year. (Summary) (Beijing ZHONGGUO XINWEN SHE in English 1556 GMT 9 Jun 94)

Shenzhen Punishes 79 Officials for Embezzlement, Bribery

According to a joint circular by the Municipal Party Commission for Discipline Inspection and the Municipal Supervision Bureau, from January to May this year, 79 officials have been punished by administrative departments or party organizations. Of these, two were at bureau level and 29 at division level. Seventeen people have been expelled from the party, 15 were discharged from public office, eight were removed from their posts, and 14 have been turned over to the judicial departments. The rest have been punished to varying degrees based on the seriousness of their misconduct. The deputy director of the Shenzhen Municipal Commodity Inspection Bureau, Chen Yunan, was placed on probation for one year within the party for embezzling public funds. The former head of the Shenzhen Municipal Technology Inspection Bureau Consumer Goods Quality Control, Yang Shimao, a deputy division level cadre, accepted bribes amounting to 21,000 renminbi. He was discharged from public office and handed over to the judicial department. The former director of the Nanshan District Financial Bureau, Chen Zhenxian, embezzled public funds and caused a loss of 1.826 million renminbi of public funds through illegally issuing a loan for which he was guarantor. He has been expelled from the party and dismissed from his post. The former deputy general manager of the Shunfeng Communications Terminal Equipment Service Company, Xie Pingzhang, stole 2.3 million renminbi and put in his personal savings account. On being exposed, he absconded to avoid punishment and police are still in pursuit of him. The former general manager of the Shidai Industrial and

Commerce Development Corporation in Luohu District, Ye Qiming, was arrested for misappropriation of several dozen million renminbi in public funds. (Summary) (Beijing ZHONGGUO XINWEN SHE in English 0937 GMT 10 Jun 94)

Shenzhen Procuratorial Organs Crack Corruption Cases

From January to April this year, Shenzhen procuratorial organs have cracked 67 cases of embezzlement and bribery. The number of major and important cases placed on file for investigation and prosecution increased by 76.3 and 111.5 percent respectively. The number of submissions received by the reporting center for economic criminal cases also increased by 100. (Summary) (Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1206 GMT 15 Jun 94)

Shanwei Customs Seize Smuggled Pornographic Books, Playing Cards

Shanwei Customs in Guangdong Province recently seized a large number of smuggled pornographic books and playing cards from a small cargo ship owned by a mainland company. The Yingjiang No. 208, belonging to the Lufeng County Shipping Company, returned to Shanwei from Hong Kong with a cargo of used tires. When carrying out an onboard inspection, Shanwei Customs suspected the ship might be involved in smuggling. After a search lasting several hours the officers found 259 boxes containing 62,160 sets of pornographic playing cards and 277 bags containing 27,700 pornographic books. Five people involved in the case have been detained for interrogation. (Summary) (Beijing ZHONGGUO XINWEN SHE in Chinese 1043 GMT 7 Jun 94)

Huizhou City Police Kill Armed Criminal, Find Arms Cache

Police from the Huizhou City Public Security Bureau, the Boluo County Public Security Bureau, and the Luoyang Town Public Security Subbureau shot dead an armed criminal Zhang Dexin, who resisted arrest on 13 June. A pistol was found in his dwelling place along with 36 rounds of ammunition, a hunting rifle containing 48 rounds, 13 detonators, and nine kg of explosives. Nineteen of his accomplices were arrested. On the night of 15 May, Zhang, aged 22, together with an accomplice, beat up a waiter at a restaurant in Poluo County. When police from the public security bureau arrived, Zhang fired four shots and then took to his heels. At 1300 on 13 June, police surrounded a three-storyed house where Zhang was hiding. Zhang ran into a nearby forest and held a police officer hostage. When the police officer wrestled with him, he fired several shots and then fled. The other policemen gave chase and shot him dead. (Summary) (Hong Kong WEI WEI PO in Chinese 15 jun 94 p A11)

Hainan

Chengmai County Cracks Down on Illegal Firearms

An anti-crime rally was held in Chengmai County on 5 June which was attended by a number of provincial and county officials, including Wang Xueping, provincial party committee standing committee member and provincial vice governor; Hu Zhihua, provincial public security department director; Fu Chuanxin, provincial political and legal affairs committee deputy secretary; Hu Yarong, Chengmai County CPC Committee secretary; and others. The rally was told that over the past two months, Chengmai County has smashed a total of 76 crime dens and 22 criminal gangs, arrested 127 criminals, and seized one submachine gun, 38 pistols, 317 long and short guns, 474 rounds of ammunition, eight handgrenades, 55 lethal weapons, and 10 gm of narcotic drugs. The arrest of 28 people involved in illegal firearms dealings was announced at the rally. Wanning County has recently cracked a total of 59 criminal cases, including 42 major and serious crime cases; captured 24 criminals; smashed eight criminal gangs arrested 36 members of criminal gangs; seized six motorcycles, 13 bicycles, and six head of cattle used by criminals as well as 115 guns, 216 kg of explosives, and 15 detonators. (Summary) (Haikou Hainan People's Radio in Mandarin 2300 GMT 5 Jun 94)

Hubei

Wuhan City People's Court Sentences 24 Criminals to Death

Wuhan City Intermediate People's Court openly announced on 26 May the sentences passed on a number of arch criminal elements. Twenty-four criminals who received the death penalty, including Li Meijin and others, were immediately escorted to the execution ground. Of these 24 criminals, 10 were murderers, seven were guilty of robbery, and the rest were guilty of rape, hooliganism, kidnapping, blackmailing, and so on. According to statistics, 94.2 percent of these crimes were motivated by a desire for money. Li Meijin and Zhu Gongquan, who are not from Hubei Province, robbed taxi drivers on nine occasions of more than 6,600 yuan in the short period of seven days from 1 to 7 November last year. Motivated by a desire for high consumption, Wang Zhicheng, former security guard in the provincial branch of the Bank of China, collaborated with others to steal renminbi totalling 220,000 yuan. (Summary) (Wuhan Hubei People's Radio in Mandarin 1000 GMT 26 May)

Seven Arrested for Impersonating Armed Policemen in Wuhan City

In Wuhan City in recent years some unlawful elements, using false police cars, false number plates, and false police driving licenses, have halted automobiles in the street to extort money; entered parks, dance halls, and other places to conduct illegal searches and insult women; set up stalls in the street to sell false and shoddy

medicines, and engaged in illegal transportation activities, seriously damaging the image of the armed police. Since a severe crack down was launched at the beginning of the year, seven people have been arrested for impersonating armed policemen and five false police car number plates have been seized. (Summary) (Hong Kong ZHONGGUO TONGXUN SHE 1947 GMT 12 jun 94)

Hunan

Higher People's Court Announces Results of Fight Against Crime

Liu Liangyu, vice president of the Hunan Provincial Higher People's Court, announced the latest results of fighting against crime on 26 May. From early April to May, a total of 2,189 criminals in Hunan were sentenced to set terms of imprisonment. Some 909 who were sentenced to over five years' imprisonment while 192 others were sentenced to life imprisonment and to death with and without reprieve. In the past two months, 829 rapists and murderers were found guilty by people's courts throughout the province and 57 of these were sentenced to death; 93 criminals involved in 63 cases of causing explosions at power and communication facilities and sabotaging industrial and agricultural production were found guilty and 29 of them were sentenced to over five years' imprisonment or even to death. Moreover, severe punishments were meted out to criminals who running amok in various localities. In one case, Zhang Jiahua, member of a gang of rogues in Yongshun County who committed 29 cases of hooliganism, beat 35 persons and injured 17 of them between 1988 and 1991, was sentenced to death; Su Yunshan, one of his accomplices, was sentenced to life imprisonment; and three other gang members—Tang Hongtao, Tang Hongbo, and Zeng Zhaoyang—were sentenced to set terms of imprisonment. (Summary) (Changsha HUNAN RIBAO in Chinese 28 May 94 p 1)

Shanghai

Intensified Action Against Smuggling Reaps Results

Shanghai recently strengthened action against smuggling and has solved a number of serious cases, effectively preventing the spread of such crimes. Statistics show that between January 1993 and May 1994 the municipality solved 2,169 cases involving 393 million renminbi. Tax revenue totaling 21 million renminbi was recovered as were 132 cars, 400 gm of marijuana paste, and 869 historical relics. A visitor from Taiwan was recently arrested attempting to smuggle \$100,000 in cash. Currently, smuggling using containers is still serious in Shanghai as is the smuggling of cars by sea. (Summary) (Beijing ZHONGGUO XINWEN SHE in Chinese 1225 GMT 7 Jun 94)

Correction to Jiang Visits Factory Fire Victims

HK2106034294

The following correction pertains to the item headlined "Jiang Visits Factory Fire Victims," published in the 20 June China DAILY REPORT, page 24:

Column one, first paragraph, sentence two, make read: ...were injured when Zhuhai's Qianshan Yuxin textile factory collapsed... (rewording)

Economic & Agricultural

Telecommunications Minister on Foreign Capital Usage

OW2006121794 Beijing XINHUA in English 1141
GMT 20 Jun 94

[Text] Beijing, June 20 (XINHUA)—In the remaining years of this century, China aims to use at least seven billion U.S. dollars of overseas capital for the construction of posts and telecommunications facilities.

Wu Jichuan, Chinese minister of posts and telecommunications, said here today in an exclusive interview with XINHUA that since 1984, the ministry has used foreign funds of 5.67 billion U.S. dollars.

The ministry hopes to use another batch of 2.1 billion U.S. dollars of foreign funds by the end of 1995, while the planned sum of foreign funds for the Ninth Five-Year Plan (1996-2000) period is five billion U.S. dollars, Wu added.

He said that in the past 10 years, with loans on favorable terms from foreign governments, international financial organizations and other overseas organizations and institutions, the ministry introduced some 16.8 million lines of program-controlled city telephone switch equipment and one million lines of long-distance switch equipment; constructed about 20,000 km of high-grade optical telecommunications cable lines and 15,000 km of digital micro-wave telecommunications lines; and set up 18 land satellite stations and 28 automated letter distribution lines.

"Foreign capital has given a great push to China's telecommunications construction," he said.

He said that China's fast economic development in the past few years has brought about a nice opportunity for the country's telecommunications development. However, being a basic industry, telecommunications has been suffering from insufficient infrastructures, which has, to some extent, also hampered the country's economic development.

To step up the construction of telecommunications infrastructures, the central government has drafted a series of preferential policies, and priority has been given to the industry in terms of using foreign funds. Considering the scale of China's telecommunications market,

the ministry will be fully capable of repaying foreign investment, the minister said.

Telecommunications is one of China's industries with the fastest development speed. In 1992 its business volume increased by 42 percent; last year its growth rate rose to 59 percent, while in the first five months of this year the rate of increase was 49.5 percent.

The high speed increase is closely related to China's huge input in this field. Last year the industry finished an investment of 40.4 billion yuan in fixed assets construction, and this year's budget rose abruptly to 53.6 billion yuan. The Eighth Five-Year Plan (1986-1990) will finish a total investment of 160 billion yuan, while in the newly-drafted Ninth Five-Year Plan the budget is a hefty 360 billion yuan.

Aside from a small amount of state allocations, most of the funds will come from domestic and overseas loans or be raised by various localities, Wu said.

He said that China will be the world's largest telecommunications market in the 21st century. So far nearly all of the world's large telecommunications groups have established cooperative relations with China, and some medium-sized and small enterprises are also preparing to have a share in this large market. This is really a good opportunity for China's telecommunications development.

Talking about foreign cooperation, Wu said that besides engaging in direct management of telecommunications businesses, or management through buying stock, overseas businessmen are welcome to cooperate in the fields such as scientific research, education, product development, engineering and design, and equipment production and supply.

He said that China especially welcomes overseas businessmen to invest in telecommunications construction projects. The Chinese side will ensure their interests according to the rule of mutual benefit.

He said that the production of telecommunications equipment is fully open to foreign businessmen. They can construct cooperative enterprises as well as solely-funded enterprises in China.

So far all of China's newly-built advanced telecommunications equipment production lines are fruits of Sino-foreign cooperation, such as the Sino-Belgium Switch Co. in Shanghai, Tianjin-NEC Co. and Beijing Siemens Co. Presently Guangdong Province is negotiating with Canadian Northern Telecommunications Co. on cooperative projects.

Wu, 56 years old and a senior engineer of telecommunications, was appointed minister of posts and telecommunications last year.

Planning Official Views Developing Central China
OW2006171294 Beijing XINHUA in English 1538
GMT 20 Jun 94

[Text] Wuhan, June 20 (XINHUA)—Chen Yaobang, Chinese vice-minister of the State Planning Commission, revealed here Sunday [19 June] that development of the five provinces in central China would be accelerated.

Addressing the closing session of a symposium on the strategy for the development of the provinces and cities in central China, Chen pointed out that the five provinces in central China, namely Hubei, Hunan, Jiangxi, Anhui and Henan, occupy a decisive position in the country's national economic development.

He said that the area produces 27.2 percent of the country's grain, 46 percent of the country's cotton and 35 percent of the country's oil-bearing crops. It is also the country's important base of power and raw materials. The area is a hub of communications in the country and is inhabited by one fourth of the country's population.

In 1992, Chen stressed, the area's gross product accounted for merely 18.4 percent of the gross national product, and its foreign trade volume and overseas funds used were all less than five percent of the national total. Therefore, he said, it is urgent to speed up the development of the area.

He disclosed that the central government had started to draw up a program on the economic development in the five provinces so as to accelerate the economic development of the whole central and western parts of the country.

Official on 'Smooth Implementation' of Reform
HK2106082894 Beijing JINGJI RIBAO in Chinese
25 May 94 p 1

[Interview with Qiu Xiaohua (6726 2556 5478), chief economic manager of the State Statistical Bureau, by Chen Zengjun (7115 1073 6511); place and date not given: "The Overall Economy Is Developing in a Favorable Direction, Enterprise Operations Need To Accord With Market Changes—Interviewing Qiu Xiaohua, Chief Economic Manager of the State Statistical Bureau"]

[Text] [JINGJI RIBAO] Since the beginning of the year, the state has successively implemented a series of major reform measures. The smooth implementation of these measures requires a stable economic environment as a guarantee. Compared to the previous stage, economic operations since the beginning of the year have seen a very great qualitative improvement. Can you provide an overall assessment of this in terms of the current economic situation?

[Qiu] Seen from the macroeconomic level, the economy has already passed through a difficult period and is now

moving in a positive direction. The most difficult time was the period before the central macroeconomic regulatory and control measures were put in place in the second half of last year, when economic operations saw overheating in some areas, the fiscal and banking situations were quite serious, and price increases were rather swift. After the macroeconomic regulatory and control measures were implemented, these situations saw a turnaround. With a turn for the better in the fiscal and banking order, inflation, which had been quite serious for a time, is controlled. It should be said that the current economic situation is developing in a good direction.

[JINGJI RIBAO] Could you please be more specific about the signals showing that development is proceeding in a positive direction?

[Qiu] I think that this is reflected in the following areas:

First, the state economy has seen a change from a situation of excessively fast growth to appropriate growth. In the first quarter of this year, GDP was 862 billion yuan, growth of 12.7 percent compared with the same period in the previous year. If we take into account the seasonal influence, whereby the agricultural proportion was quite low (8 percent) and the industrial proportion was quite high, growth over the year will convert to about 10 percent. This shows that the current speed of economic growth is being kept within the anticipated macroeconomically controlled range of 9 to 10 percent.

Second, seen from the industrial situation, the development trend is positive. From January to April this year, growth in industrial added value was maintained at between 16 and 18 percent, and the major fluctuations experienced at the beginning of last year did not occur. This speed of development is ideal if we are to maintain a 9-10 percent rate of growth in the overall economy.

Seen from the structure of industrial growth since the beginning of this year, there have been some positive changes. This has been reflected in the product mix, with sustained and stable growth being seen in the production of energy, major raw and semi-finished materials, and materials for agricultural use. The production of consumer products which have ready markets, such as electrical appliances and foodstuffs, has seen quite swift growth. The growth in production of investment goods has been controlled. In terms of the regional structure, high-speed growth has been maintained in the southeastern coastal areas and the Chang Jiang Delta area, while growth has accelerated each month in the western regions. In terms of the ownership structure, at the same time as speedy growth has been maintained in the nonstate-owned economy, production by state-owned enterprises has also seen monthly growth. Calculated on a comparable basis, over the period from January to April, production by state-owned enterprises was 4.7 percent up compared with the same period last year, and in April growth was 5 percent. It is predicted that May's growth will be even higher.

At the same time, the performance of industrial enterprises, and, in particular, state-owned enterprises, has improved each month. In the first quarter of the year, the sales revenue of state-owned enterprises was up 7.8 percent compared with the same period last year. In April, growth was 8.3 percent. The production-sales ratios over the four months from January to April were 89 percent, 91 percent, 94 percent, and 94 percent, respectively.

Profits of state-owned enterprises also saw a gradual turn for the better. The performance of many state-owned enterprises, based on comparable figures, saw an improvement compared to the same period of the previous year, and, even when assessed using the new method of calculation adopted this year, there has also been a continued turn for the better. For example, in accordance with the new method of calculation, in the first quarter of this year, profits and taxes realized by state-owned enterprises grew 16.3 percent compared with the same period last year. In April, growth was 37.7 percent. In this figure, profits in the first quarter fell 42.4 percent compared with the same period last year. However, in April there was a profits growth of 7.7 percent compared to the same period last year. At the same time, the proportion of enterprise losses as compared to enterprise profits also saw a clear decline compared with the same period last year.

Third, the trend toward excessively swift growth in investment has been controlled and there has been an obvious drop in the rate of growth. The supply-demand relationship in the domestic market has seen marked improvement.

Fourth, agricultural production has seen a warming.

Fifth, the financial situation has seen a change from the quite grim circumstances in the first quarter to basic normality this year [sentence as published]. The wild collection of funds, the arbitrary establishment of banking organs, the dip in residents' savings, and the payment difficulties situation seen in many banks has been greatly improved. Since the last half of last year, residents' savings have grown stably again, there has been a marked improvement in the banking order, and the payments capacity of the banks has been strengthened. This has guaranteed the needs of current economic development and reform and opening up.

Sixth, the fiscal situation has seen a turn for the better, fiscal revenue has grown steadily, and revenue and expenditures are basically balanced.

Seventh, the international balance of payments situation has seen a turn for the better, exports have seen quite swift growth, and in April, export growth exceeded import growth for the first time since September 1992. Foreign exchange reserves have grown, and in April foreign exchange reserves were \$8 billion up on the figure at the beginning of the year.

Eighth, the people's standard of living has been improved and the income of many people has grown. In the last four months, the growth in the livelihood income of urban residents has been higher than the 10 percent rise in prices. Incomes of rural residents have also grown markedly. In the first quarter, if we exclude price increase factors, they grew 14 percent compared to the same period last year.

The above positive changes show that since the second half of last year, the series of measures implemented by the party Central Committee and the State Council in order to carry out macroeconomic regulation and control and deepen reform have been correct and have already realized obvious achievements.

[JINGJI RIBAO] If we are to maintain the fine situation seen in economic development at present, what aspects do we need to continue to pay attention to?

[Qiu] My personal opinion is that, at present, the major question we need to pay attention to is prices. Since the beginning of this year, while the trend toward inflation has been controlled, market prices have grown quite quickly.

Since the end of last year, due to the influence of various factors and because of the delayed effects of overheating and the chaos which has occurred in various aspects of economic life, market prices have experienced a situation of strong increases. From November last year to February this year, the monthly national retail price index grew at an average of 3.4 percent. From March onward, as governments at various levels adopted measures to hold prices down, the trend of rapid increase was controlled. In March, the monthly index growth rate fell to 0.9 percent, while in April it was 1.3 percent. However, seen from the monthly index growth, the level of prices is still somewhat high. From January to April national retail prices were up 20 percent compared with the same period last year, and while price rises were controlled in March and April in medium-sized and large cities, the price rise situation was still quite strong in rural areas and some small cities. Seen in terms of commodity types, those products which saw the greatest increases were mainly centered on those commodities needed in daily life. Thus, they had quite a strong impact on low-income households.

Second, it is worth pointing out that market restraints have become increasingly prominent. Since the beginning of this year, domestic markets in some spheres have seen the beginnings of cooling down through stability. From January to April, real growth in national retail sales, after excluding price factors, was 4.2 percent. This was 3 to 4 percentage points lower than in a normal year. The production-sales ratio for industrial products was 92.2 percent, nearly 4 percentage points lower than normal. The volume of means of production traded also

declined. Although this trend is very beneficial to structural readjustment, in the short term it will probably be accompanied by some negative effects on the economic cycle.

In addition, some deep, structural contradictions which affect the bringing into play of the vigor of state-owned enterprises have not yet been eliminated, and some state-owned enterprises are still in serious difficulties. The scale of fixed-asset investment in projects under construction is still quite great, and some disadvantageous factors in agricultural production have still not been completely eliminated. These are all disadvantageous elements which affect the fine cycle of the economy.

Seen from the deep level, we can recognize that the problems which exist in economic life were not formed overnight. Thus, the resolution of the problems cannot be completely achieved within a short period. Macroeconomic regulation and control in the earlier period only resolved the superficial effects of the problems. Also, the various reform measures implemented this year have not been in place for a long time. Thus, if we want the economy to enter a fine cycle, we need to continue to make great efforts.

[JINGJI RIBAO] In response to the new changes in current economic life, what new policies should we adopt?

[Qiu] In terms of the macroeconomy, the new changes which have appeared in economic life at present are mainly changes, whereby the resource restraints of an earlier period—restraints in terms of energy, raw resources and transport—have been changed into market restraints. That is to say, whether or not a product has a market has become an important factor in whether an enterprise's production operations are good or bad. This change was due to the control of the transitional, speculative, short-term demand of the earlier period and to contradictions where products were not suited to the market or were unable to keep up with market changes becoming increasingly prominent. To a certain degree this reflected the fact that attempts to optimize the deployment of resources lagged behind the development of the situation.

The appearance of this situation required, at the same time as deepening reform, a further improvement of macroeconomic regulation and control. That is to say, there is a need to switch from mainly controlling overall volumes to considering both control of overall volumes and structural readjustment, and a switch from mainly considering the macroeconomy to taking both macroeconomic and microeconomic considerations into account. Regulatory and control measures must be shifted from mainly monetary policies to those where both monetary and fiscal policies are utilized. As for the targets of regulation and control, we must switch from mainly short-term targets to the consideration of both short-term and long-term targets. Short-term targets refers to

stabilizing prices and controlling inflation. Long-term targets refers to the healthy and sustained development of the economy. As to what is specifically needed at present, first, we must ensure that fixed-assets investment is maintained at an appropriate scale and that the investment structure is rational. Second, we need to implement various agricultural policies and strive to achieve a good harvest.

Low-Cost Housing To Benefit Millions

*HK2106060194 Beijing CHINA DAILY in English
21 Jun 94 p 1*

[By Li Hong: "Low-cost Housing to Benefit Millions"]

[Text] A government project to provide low-cost housing to millions of middle-income citizens will be launched next year, according to the Ministry of Construction.

The programme, called "comfort housing project," will enable most urban residents to buy houses for 1,000 yuan (\$115) per square metre, 3,000 yuan (\$345) less than the current market rate.

Real estate developers participating in the government-subsidized project will get free access to State land, tax breaks and other premiums in order to reduce building costs, said Liang Xiaoqing of the ministry's real estate department.

She said the Ministry of Construction will encourage overseas investment by offering attractive returns, albeit without staggering profits.

The "comfort housing project" is expected to provide 150 million square metres of living space by the time it is finished in 1997. The ministry expects it will benefit about 2 million urban families.

The recent decrease in the supply of affordable housing led the central government to launch the project, ministry officials said.

A report from the State Statistics Bureau (SSB) shows that moderately-priced housing development has been on a continuous decline since 1985. The year-on-year decrease was 6.8 percent in 1986, plunged by 22.7 percent in 1987, dropped another 4.5 percent in 1988, and nose-dived 27 percent in 1989.

Since 1990, the country has been caught in a real estate boom focusing on luxury office buildings, hotels, plush apartments and villas—all of which are beyond the means of ordinary Chinese residents.

On the other hand, demand for cheap urban dwellings has soared. Last year, the number of city households that had less than 4 square metres of living space per capita reached 5.5 million.

And the number is expected to grow by 400,000 annually to reach 8 million by the year 2000, as more young people get married and start families, Liang said.

The central government started to cool down the over-heated property market last July. Bank credits were put under control and developers were required to make a fifth of their projects low-price residential housing.

To ensure the massive project gets off to a smooth start, the government will help fund it, Liang said.

The appropriations will be included in the annual State budget on fixed assets investment, which is to be approved by the nation's top legislature at its plenary session next March. The planned investment for 1995 is 10 billion yuan (\$1.15 billion), Liang said.

Local governments and businesses will be required to raise the rest of the money for the project, she said.

To date, 64 cities have presented their plans for review by the Ministry of Construction.

Liang warned that many financially-strained State-owned firms may be unprepared to invest in the projects. In Beijing, for instance, about 30 percent of State companies are running in the red, she said.

Liang also said the planned selling price of 2,000 yuan (\$230) per square metre in Beijing was too high.

"They should reduce the price for the good of the Beijing people," Liang said.

She added that Shanghai, also a big metropolis, set a 1,000 yuan (\$115) per square metre ceiling on its "comfort housing project" apartments.

But Beijing officials said they had difficulty lowering the price since the building cost per square metre was 3,500 Yuan (\$402) in the capital.

Foreign Reserves Expected To Stabilize Yuan

*HK2106070594 Hong Kong SOUTH CHINA MORNING POST (BUSINESS POST) in English
21 Jun 94 p 4*

[By Renee Lai]

[Text] A senior official of the People's Bank of China expects the yuan to remain stable because of the country's strong foreign exchange reserves and its ability to control soaring prices, and has dismissed concern about further depreciation.

Worries have been lingering that the Chinese currency will decline further following its effective 33 per cent devaluation against the U.S. dollar since January 1, when Beijing scrapped the two-tier yuan rate.

The yuan has been trading in a tight band of seven to 8.6 to the dollar.

Tan Zhuohuai, vice-director of the central bank for Guangdong province, gave the assurance to foreign investors at a seminar yesterday in Hong Kong.

He said a fall in the yuan would depend on the result of China's fight against inflation and the management of its forex reserves.

Mr Tan described China's economic policy as "neither a control, nor an easing", but a combination of both measures. He said price rises were inevitable under the reforms, but it was necessary to keep them at an appropriate level.

Beijing had shown its ability in containing price increases through the 13 per cent price rise last year, which had been largely controlled by the government.

Mr Tan cited China's foreign assets of more than U.S.\$200 billion and forex reserves of \$29 billion last year as evidence of sufficient backup. Chinese banks had a forex balance of about \$4 billion.

That strength was underscored by the fact that the yuan had been picking up since the start of the year.

"The ultimate aim of foreign exchange management is to relax control, allowing the yuan to be an international currency and freely convertible," Mr Tan said.

China had lifted forex control on current accounts such as imports and exports, while its grip remained tight on capital accounts.

Meanwhile, Mr Tan said China had adjusted its structure of fund allocation to cash-strapped state-owned enterprises.

"It is not a question of a credit squeeze or an easing of liquidity now, but a selective policy to guarantee the liquidity of key enterprises," he said.

He pointed to key infrastructure projects, more efficient enterprises and purchases of foreign trade products and agricultural products as priorities.

Dong Xinbao, professor of Tsinghua University's School of Economics and Management, said the investment environment in China was better than last year.

Overseas Firms 'Dominated' Machine Tool Market

HK2106060294 Beijing CHINA DAILY in English
21 Jun 94 p 2

[By Pei Jianfeng: "Importers Dominate Domestic Tool Mart"]

[Text] More than half of China's machine tool market has been captured by overseas manufacturers.

China imported \$1.94 billion worth of machine tools last year, almost doubling the 1992 figure of \$912 million.

Now the country has become the world's second largest machine tools importer, after the United States, said Liang Xunxuan, president of the China Machine Tool & Tool Builders' Association (CMTBA).

The domestic machine tool market has been expanding at over 18 per cent per annum in the past decade Liang said.

Total market consumption reached \$3.58 billion last year, making the mainland the third largest market in the world.

Imported products dominated about 54 per cent of the country's machine tool market.

During the first quarter of this year, imports amounted to \$479 million, up 80.6 per cent over the same period last year.

Taiwan surpassed Japan and Germany last year to become the largest exporter to the mainland.

Meanwhile, China has become a major machine tools producer. CMTBA now has more than 1,500 member enterprises.

The total output value of the industry reached \$1.86 billion last year, making China the world's fifth largest machine tool producer.

China's exports during the first quarter of the year reached \$42 million, up 24 per cent over the same period of last year.

Liang said that China's market will continue to expand since the government is making efforts to develop the transport, energy and telecommunications sectors.

To strengthen exchanges with other countries, Liang led a delegation to Britain last month and will visit Italy in September.

The 4th China International Machine Tool Show (CIMT'95) is scheduled to be held next year in Beijing to promote Sino-foreign co-operatives in the machine tool industry.

Police Target Private Sector in Book Piracy Crackdown

HK2106060594 Beijing CHINA DAILY in English
21 Jun 94 p 3

[By Ma Chenguang: "War Intensifies on Book Piracy"]

[Text] Police forces across the country have been cracking down on the sale of illegally-published and pornographic books following the issuance of a circular from China's main publication agency.

The directive from the Press and Publication Administration (PPA) requires its regional branches to cooperate with local Public Security organs in starting a comprehensive search for pirated books and pornographic materials.

China's publishing industry is a combination of State-owned printing houses, of which there are about 300, and over 60,000 privately-run or collectively-run

printing workshops and book dealers. The PPA says that the private sector of the industry is the main target of scrutiny.

Unlike large-sized publishers which have licenses to print books, many small printing houses often break regulations in order to make quick profits, said Huang Xiaoxin from the PPA's distribution department.

They often illegally print best-sellers, reference works and indecent materials.

The PPA estimates that out of the country's 100,000 new publications each year, some 1,500 titles are pirated.

The nationwide battle against illegal and indecent publications has been particularly successful in Hunan and Guangdong provinces and Beijing where printing houses and backroom printing shops have been closed down and main offenders arrested, Huang said.

According to PPA investigations, Hunan has over 4,000 small printing shops. In Changsha, the provincial capital, one shop was discovered to have been distributing pornographic books. The Guoxiao Book Shop had sold over 100,000 sexually offensive books to other shops in 27 provinces and municipalities.

So far, 13 of the prime culprits have been arrested by police in connection with the Guoxiao case alone, Huang said.

Also in Hunan, a county printing house was closed down for illegally printing 250,000 copies of the Xinhua Dictionary, the most popular dictionary among students.

When police raided the premises some 50,000 illegal copies were confiscated.

All those arrested for piracy in Hunan are awaiting trial, Huang said.

Meanwhile, police in Jiangsu Province have apprehended a 35-year-old book merchant for pirating over a period of several years.

Lu Ping, from Northeast China's Heilongjiang Province, was found to have made profits of 3 million yuan (\$345,000) from his illegal business.

Lu is now awaiting trial. If found guilty he could face the death penalty, Huang added.

In Guangdong Province, investigators have discovered piracy involving a novel, "Zeng Guofan," which is about the famous Qing Dynasty (1644-1911) general who put down the Heavenly Kingdom uprisings.

Huang said that he expected more printing house closures and arrests as the crackdown gained momentum.

East Region

Anhui Boosts Foreign Trade in Technology

OW2106021094 Beijing XINHUA in English 0141
GMT 21 Jun 94

[Text] Hefei, June 21 (XINHUA)—East China's Anhui Province is rapidly boosting its foreign trade in technology.

The provincial technology import and export company concluded a transaction volume totalling 52.677 million U.S. dollars-worth in the first five months of this year, an increase of 41.53 percent over the same period of last year.

A company official attributed the good result to the improvement of service and trading methods, and the expansion of export-oriented business.

According to the official, the company has helped a number of key industries, including the light and textile industries, machinery, electronics, chemicals, telecommunications, tobacco, metallurgy and raw materials, to upgrade their technology.

The company has rearranged its product mix to export high-tech products and relatively advanced technology items over the past few years.

Meanwhile, it has set up enterprises and offices in the United States, Canada, South Africa and Australia, and has forged foreign trade relations with 132 countries and regions.

'Roundup' Views Economic Development in Fujian

OW2106080694 Beijing XINHUA in English 0743
GMT 21 Jun 94

[“Roundup”: “Fujian Girds for Economic Takeoff”]

[Text] Fujian, June 21 (XINHUA)—Fujian, a southeast Chinese province with a booming economy, is gearing up for an economic takeoff by greatly improving its infrastructure.

According to Zhang Jiakun, deputy governor of the province, Fujian plans to pour 300 billion yuan (about 34 billion U.S. dollars) in the upcoming six years into the construction of such infrastructure projects as airports, harbors, railways, highway, telecommunications and power plants.

In addition, the province is to push ahead with reforms of the systems of banking, finance and foreign currency exchange, and simplify the procedures for foreign investment so as to attract more investment from overseas.

Situated on China's southeast coast facing Taiwan across the Taiwan straits, Fujian is the ancestral home of eight million Overseas Chinese and 800,000 residents from Hong Kong and Macao. Some 80 percent of the population of Taiwan can trace their roots to the province.

Deemed a frontier for national defence, however, Fujian benefited little from the state economically in the first two decades after the people's republic was founded in 1949.

With the introduction of the policy of opening up to the outside world and the easing of tensions across the Taiwan straits, the province spent a total of 15 billion yuan (about 1.78 billion U.S. dollars) during the 13 years from 1979 to 1992 on energy, raw materials, communications and telecommunications projects. A total of 13 such projects went into production last year alone.

Now the province's three airports—in this provincial capital, Xiamen and Wuyishan—boast over 70 routes linking it with all the major Chinese cities as well as Hong Kong, Singapore, the Philippines and Malaysia.

Its 400 harbors of various sizes connect the province with Hong Kong, Macao, Singapore, Japan and Thailand. Modern railway and highway transportation and telecommunications facilities make the province an increasingly attractive spot for overseas investment along with an ample power supply.

Along with improved infrastructure, various organizations have sprung up in Fujian to help foreign investors with registration, hard currency adjustment, insurance and supply of production materials.

The move has proved effective as the province had approved the setting up of 12,797 overseas-funded enterprises by the end of 1993, with a total contractual investment of 22.52 billion U.S. dollars. Nearly six billion U.S. dollars of this has actually been used, making up ten percent of the country's total foreign investment.

In the first quarter of this year the province attracted 626 million U.S. dollars in overseas investment and exported 1.45 billion U.S. dollars-worth of products, representing increases of 52.1 and 42.8 percent, respectively.

To accelerate its economic development, Fujian has further drawn up policies to encourage overseas investment in infrastructure construction and push ahead with reform in various sectors so as to meet the international standards of economic development. The province is also busy working out regulations to protect the legal rights of overseas investors.

Jiangxi Establishing Limited-Liability State Companies

HK2106082694 Nanchang Jiangxi People's Radio Network in Mandarin 1100 GMT 15 Jun 94

[Text] Recently more and more positive moves have been taken in deepening state-owned enterprise reform. Following 6 and 9 June, when the Jiangxi machine tools plant and the Nanchang steelworks were turned into state-owned, limited-liability companies, a series of 32 wholly state-funded companies, which were listed as pilot enterprises by the provincial government, will be employing this operational mechanism. This marks that

Jiangxi has entered a new stage in comprehensively reforming state-owned enterprises in accordance with a modern enterprise system.

Since the beginning of this year, the provincial government has actively promoted experiments in reforming industrial enterprises. On 5 January this year, the governor's and vice governors' work meeting adopted a decision on selecting 32 large and medium-sized state-owned enterprises to conduct experiments in forming wholly state-funded limited-liability companies, and approved the 10-point proposal formulated by the provincial commission for restructuring economy and the provincial economic commission. Since then, each of the enterprises accordingly has set up an experimental leading group; done an active job in such basic work as checkup of warehouses, assessment of assets, and revaluation of assets; readjusted the economic structure in strict accordance with the stipulations of the Company Law; optimized the disposition of resources, with the stress on system upgrading; and established a new structure under which property rights are clearly defined, government and enterprise functions are separated, and management is scientific; thus speeding up the pace of establishing a modern enterprise system.

It has been learned that the province's 32 selected pilot enterprises occupy an important position among the large- and medium-sized enterprises, and their products are in line with the state's industrial policy, are marketable, and can produce good economic results. Their leading bodies are of sound quality and their enterprise management has a solid foundation. They have managed to operate in accordance with the stipulations of the Company Law and to separate state ownership from the property rights of the enterprise legal persons, avoiding reliance on administrative organs. Hence, the state's once-unlimited responsibility for enterprises has become limited responsibility.

Shanghai Removes Two Government Bureaus

*OW1806133194 Beijing XINHUA in English 1316
GMT 18 Jun 94*

[Text] Shanghai, June 18 (XINHUA)—Shanghai Municipal Government announced Friday [17 June] the removal of the No. 2 Commerce Bureau and Aquatic Products Bureau.

This is another step taken by the government to streamline its structure.

The dismissal of the two bureaus does not mean an emergence of another two departments to replace them. According to the reform program, the government has decided to set up two offices with only 20 staff each to carry out trade management and some administrative functions. The two bureaus had a combined employment of 330.

The two bureaus were set up around 1960 to take charge of the production, sales and supply of non-staple foodstuffs.

Shanghai has established a market mechanism with the government exercising macro-economic control while markets determine prices. Also, cooperatives and individuals are occupying a greater portion of the market. All these have made some of the functions of government departments obsolete.

The closing of the two bureaus is a test in streamlining Shanghai's government structure. According to a high ranking official, the mode of management of enterprises is changing. The state administration of enterprises has turned to an indirect way. More decision making power will be given to enterprises.

Since non-staple foodstuffs and aquatic products remain highly sensitive to market fluctuations, these commodities still need close government supervision. The newly established Shanghai non-staple foodstuffs and aquatic products offices will help to control their production and sales, keep reserves of sensitive goods, and make better use of production and sales funds.

Shanghai Completes Major Telecommunication Interchanges

*OW1706113294 Beijing XINHUA Domestic Service
in Chinese 0635 GMT 16 Jun 94*

[By correspondent Zhang Zhenliang (1728 2182 5328)]

[Text] Shanghai, June 16 (XINHUA)—A 10,000-line terminal program-controlled interchange system for international telephone calls and a 30,000-line terminal program-controlled interchange system for domestic calls that make up an extension project hailed as the "giant highway interchange" for long-distance communications were checked and accepted by the Shanghai Posts and Telecommunications Bureau, which was entrusted by the Posts and Telecommunications Ministry.

The completion of these two major interchange systems increased Shanghai's total capacity for long-distance communications interchange by 25 times over a decade ago and upgraded the degree of full automation of its long-distance communication to over 97 percent from 10 percent in 1985.

It has been learned that the 10,000-line terminal program-controlled interchange system for international telephone calls, which was operational upon completion, has been put under a test run; while 10,000 long-distance lines of the 30,000-line terminal program-controlled interchange system for domestic calls have been opened to communications, with the remaining 20,000 reserved for future expansion.

Central-South Region

Reportage On Provincial Flood Situation

Middle, Lower Xiang Jiang Threatened

HK2006130294 Changsha Hunan People's Radio Network in Mandarin 2300 GMT 18 Jun 94

[Text] According to the provincial flood control headquarters, yesterday the flood peak appeared in the middle and lower reaches of the Xiang Jiang, arriving at Changsha at 1400, where the water level rose to 39 meters—65 centimeters higher than the highest level ever reported. Due to their height and magnitude, the flood waters exceeded the flood control project's capability to withstand the resulting strain, and Hengyang, Zhuzhou, Xiangtan, and Changsha suffered serious losses. According to yesterday's statistics, embankments collapsed in 66 places along the Xiang Jiang, submerging approximately 450,000 mu of land. Flood waters broke through the western embankment of the Xiang Jiang in Changsha at 1100 yesterday, creating a 50-meter hole and submerging seven villages, 300,000 mu of land, and some universities and colleges in Yuelu Township, causing at least 100 million yuan in direct economic losses. The whereabouts of some people remain unknown. After the disaster occurred, party, government, and Army leaders at all levels went to the front lines of the flood-fighting effort and organized and guided flood fighting and relief work.

The province has sent more than 100,000 cadres and 2 million people to fight the floods. Yesterday afternoon, the provincial flood control headquarters once again created an emergency plan to utilize every available means to meet the flood peak head-on. Troops stationed in Hunan have dispatched personnel from four battalions to Hengyang, Zhuzhou, Xiangtan, and Changsha to do relief work and move people stranded by the floods to secure areas. Armed police and public security police officers and men are using all their strength to plunge into the work of fighting the floods and distributing relief.

The provincial party committee and government urged the broad masses of cadres and people in the Xiang Jiang basin and Army personnel and civilians across the province to put the general interest ahead of everything else, fight in unity, and strive to overcome the catastrophic flooding of the Xiang Jiang. The low-lying areas along the banks of the Xiang Jiang, which cannot fight the floods, must try their best to relocate people and ensure their safety.

Flood Hits Hunan Capital

OW1906141294 Beijing XINHUA in English 1351
GMT 19 Jun 94

[Text] Changsha, June 19 (XINHUA)—This capital of central China's Hunan province has been hit by floods in

the wake of a succession of rainstorms on the upper and middle reaches of the Xiangjiang River.

The water level of the river, which flows through Changsha, is still rising sharply, according to local sources.

By four o'clock this afternoon the level recorded at the Changsha monitoring station had risen to 38.93 m, some 0.56 m higher than the highest figure ever previously recorded. The flood has caused serious losses to people along both banks of the river, especially in Changsha, according to the sources.

In the early hours of yesterday six villages and one fishing ground at Yulushan township were flooded when an embankment collapsed.

Most of the 15,000 people affected by the flood there have been evacuated to safer places.

By six o'clock yesterday afternoon 19 dykes in the Changsha area had collapsed, and a total of 128,000 urban and rural residents had been affected.

A partial collapse of the grand Longwanggang embankment at the Xihu fishing ground in the Wangyuehu district of Changsha has put the lives and property of 60,000 people in danger.

But thanks to the concerted rescue efforts of 2,000 local cadres, residents and soldiers there was no loss of life.

The city government of Changsha has asked residents within the endangered areas to relocate themselves and remove their property to safer places, in case of the occurrence of more serious flooding.

By the early hours of this morning roads and surfaces of bridges in the Wangyuehu district had been inundated. The flood waters had also reached the boulevard along the Xiangjiang River, Xiahe Street and the western part of Zhongshan Street in Changsha proper.

So far, more than 500,000 soldiers and local residents have moved in to help fight the floods.

Meanwhile, the Changsha city committee of the Communist Party has held an emergency meeting, urging all departments and the people of the whole city to carry forward the spirit of continuous fighting and unite as one in battling the floods.

Wang Maolin, secretary of the Hunan Provincial Party Committee, who is now in the province's southern city of Zhuzhou to direct anti-flood efforts there. In a telephone call to the Changsha city government, he called on local officials to adopt effective measures, ensure the safety of the lives and property of the residents of Changsha and make an overall success of the work to conquer the flood.

Death Toll at 438

*HK2006114394 Hong Kong AFP in English 0942
GMT 20 Jun 94*

[Text] Beijing, June 20 (AFP)—Severe flooding in six Chinese provinces has claimed 438 lives in the past 12 days and left another 6,470 injured, the Ministry of Civil Affairs said Monday [20 June]. Releasing provisional figures, the ministry said more than 48 million people had been affected by flooding, with 482,000 homes destroyed and three million hectares (7.4 million acres) of farmland under water.

Hardest hit was Guangdong province, with 134 dead and 52 missing, as major rivers swollen by torrential rains threatened the prosperous Pearl River delta, near Hong Kong. Elsewhere, 120 had died in Hunan, 82 in Guangxi, 50 in Zhejiang, 32 in Jiangxi and 20 in Fujian. Economic losses were put at 16.86 billion yuan (two billion dollars), the ministry said, adding that international aid was welcome.

Damage in Guangdong, Guangxi

HK2006141494 Beijing ZHONGGUO XINWEN SHE in English 1230 GMT 20 Jun 94

[Text] Qingyuan, June 20 (CNS)—The worst damage was caused by an extraordinarily serious flood in Qingyuan, a city in Guangdong Province, in the last 100 years. Initial statistics showed that at least 87 persons died because of floods and the direct economic loss was over RMB 1.3 billion [renminbi] as of today.

Nearly half of the population of 3.5 million were affected by the natural disaster. An official report said that most of the death toll might be registered in Qingyuan's Liannan County, in which at least 42 persons died and 22 were missing. Most of the dead were young persons who were either drowned or swept away by floods. There were at least 110,000 homes destroyed and 16,000 houses collapsed. The homeless across the city was put at over 10,000 persons, and there were up to 6,000 persons homeless in Fogang County alone in northern part of the city.

About 80,000 hectares of crops were flooded across Qingyuan and large pieces of paddy-fields coming near to a harvest were destroyed. One third of 150,000 mu of paddy-fields in Qingxin County was flooded, according to a local official.

Quite a lot of trunk roads which were put at 459 and at least two bridges were damaged by violent floods. A 16-kilometre section of a provincial grade road was flooded while 6-kilometre long part of road was seriously destroyed which caused a damage of over RMB 40 million [renminbi]. Traffic across the city was paralyzed. As there were many areas across the city with breakdown of traffic and communications, it is estimated that the death toll and damage would climb up.

In Wuzhou of the Guangxi Zhuang Autonomous Region, the flood peak topped the water level of 25.91 metres, exceeding the warning level by 10.91 metres. The flowing rate was put at 46,200 cubic metres per second, registering the greatest flood since 1949. Wuzhou and its suburban areas were flooded to a certain extent. Most of the outbound traffic and communications broke down. It is in a critical state in the Pearl River Delta area in which flood control is in great urgency.

In Hunan Province, Hengyang, Xiangtan and Changsha cities underwent the highest flood peak the day before yesterday since 1949. Eight cities along the Yangtze River covering 128 towns were flooded.

The State Council sent working teams from the Ministry of Water Resources, the Ministry of Construction and the Ministry of Civil Affairs to rush to Guangxi and Guangdong to help fight floods.

Floods Continue in Guangdong, Hunan

*OW2006171394 Beijing XINHUA in English 1503
GMT 20 Jun 94*

[Text] Beijing, June 20 (XINHUA)—Floods continue to have serious effects in Guangdong, Hunan and Jiangxi Provinces and the Guangxi Zhuang Autonomous Region in southern China.

Information from the State Flood Control and Drought Relief Headquarters revealed that the flood peak on the Xijiang River today reached Guangdong Province.

By eight o'clock yesterday morning, a peak flood water level of 25.91 m [meters] was recorded at the flood monitoring station of Guangxi's Wuzhou city, 10.91 m above the danger level.

Flood water has entered urban and suburban areas of Wuzhou city, and most of its transport and telecommunications with the outside were suspended.

This city borders Guangdong and lies on the Xunjiang River, the name for the upper reaches of the Xijiang River.

The speed of the flood-water was recorded as 46,200 cu [cubic] m per second, the most ferocious since the founding of New China in 1949.

The flood peak on the Beijiang River in Guangdong Province passed through Qingyuan city by 23:00 hours last night, and the water level was recorded as 14.72 m, about 4.22 m above the danger mark; the speed was 17,400 cu m per second.

Flood control work in the Pearl River (Zhujiang) Delta area is also very intense.

The State Council, China's highest governing body, recently sent a joint working group formed by the Ministries of Water Resources, Construction and Civil Affairs to help fight floods in Guangxi and in Guangdong.

At 11 o'clock on Saturday, the flood peak on the Xiangjiang River passed through Changsha city, capital of central China's Hunan Province.

The water level recorded at the local monitoring station was 38.93 m, some 3.93 m above danger level. High flood water levels were also recorded at Hengyang and Xiangtan cities.

About 118 towns of eight prefectures and cities along the Xiangjiang River were flooded.

Flood water has also entered more than 20 streets and lanes of Changsha, and more than 300,000 city dwellers were affected. More than 400 factories and 5,000 shops were forced to stop production or stop business.

More than half a million Armymen and local residents, under the leadership of the Hunan provincial party provincial committee and provincial people's government, are going all out to fight the flood.

By 22:00 hours last night, the flood peak passed through Nanchang city, provincial capital of Jiangxi. Statistics from the local monitoring station show that the flood water level was 25.42 m, about 2.62 m above the danger mark, and the speed of the flood was 19,100 cu m per second.

The Jiangxi provincial party committee and people's government are mobilizing local people and the troops stationed there to combat the floods.

The State Flood Control and Drought Relief Headquarters has sent special teams of people to help fight floods in Hunan and Jiangxi.

Meanwhile, drought is continuing to blight most areas of northern China and northeastern China, with about 15.3 million hectares of land affected.

In the drought-stricken areas, 12 million people and 12 million head of livestock are short of drinking water, according to the State Flood Control and Drought Relief Headquarters.

State Council Team Arrives

HK2006141194 Guangzhou Guangdong People's Radio Network in Mandarin 1000 GMT 20 Jun 94

[Text] The flood peak has already passed through the Bei Jiang, and the vast area surrounding the river is safe and sound. This morning, the Bei Jiang Flood-Fighting Headquarters arranged the work for the post-flood period. The following is a report just sent back by this station's reporter on the Bei Jiang front:

[Begin recording] [Unidentified reporter] This morning, Guangdong Province's Bei Jiang Flood-Fighting Headquarters held a series of meetings to arrange flood-fighting work after the flood peak had passed. Commander in Chief Ou Guangyuan [also vice governor] demanded that the leaders of various branches maintain a high degree of alertness, prepare work well, and guard

against slacking off and becoming careless. He stressed that dams often collapse not when the river is rising but when it drops, and that each shift must be strengthened to detect problems promptly. He said: It is unlikely that the flood will pull down the main dam; it would be worse if we were slow to discover a dangerous situation. He demanded that, before the water drops to safe levels, there must be round-the-clock patrols, no one must slack off, and flood-fighting materials must be further supplied to various positions. Ou Guangyuan said earnestly that the work has touched the hearts of the central leaders, the provincial and city leaders, and the cadres and people throughout the province. He added that, due to their unique importance, we must ensure that the areas along the Bei Jiang and Guangzhou City remain perfectly safe. This is a report from Guangdong Radio's reporting team on the front of the battle against the flood in the Bei Jiang. [end recording]

According to Guangdong Radio's reporting team on the Bei Jiang front of the flood battle, the State Council's joint relief work team arrived at the Bei Jiang this morning to give instructions on fighting the flood and providing relief. The work team spoke highly of the Guangdong people's high degree of alertness against the flood and their skill in combating natural disasters. It also pointed out that the flood peak had only just passed through the Bei Jiang, that a difficult battle remained to be fought, and that the water level was still high and a high degree of alertness must be maintained to strive for overall victory in the battle against the flood in the Bei Jiang. The work team today arrived at (Shi Qiao), (Xia Lin Zhou), and other dangerous areas to inspect the flood prevention work. Its members said: Guangdong has done a great deal of work in flood prevention and relief and has an admirable ability to resist natural disasters. The leaders at various levels pay attention to work and give sensible orders, and the people's minds are at ease. From the party, the government, and the military down to the ordinary people, everyone has pulled together to fight the greatest flood in 50 years. Had it not been a contingent with such a high degree of awareness about fighting floods, such a great flood would have submerged many areas. At present, the flood peak has just passed safely, and this can be considered a victory. The water level is still high, and the typhoon season will come in July and August; therefore, Guangdong must maintain its high degree of awareness, must not slack off or become careless, and must continue to prepare materials for fighting floods, so as to achieve an overall victory in relief work and in the fight against the flood in the Bei Jiang.

500,000 People Fight Floods

HK2106023694 Hong Kong TA KUNG PAO in Chinese 20 Jun 94 p 2

[“Special dispatch” by staff reporters Lin Ning (2651 1337) and Ye Hongyan (0673 4767 3601): “500,000 People Fight Floods in Guangdong”]

[Text] Lubao, 19 June—Guangdong's Bei Jiang dike today has resisted the worst floods in 50 years, but the situation remains critical. Accompanied by Zhang Guoying, deputy secretary of the Guangdong Provincial CPC Committee, General Li Xilin, commander of the Guangzhou Military Region, and those in charge of the Ground Forces, the Navy, and the Air Force in Guangzhou, inspected the water situation at the Bei Jiang dike this afternoon along the section between Sanshui's Huangtang, Lubao, and Datang and Qingyuan's Shilan. They conveyed greetings to the more than 1,400 officers and men combating floods at the forefront.

The whole length of the Bei Jiang dike currently is standing the test of the highest water level on record. The water level throughout the river valley is not expected to drop appreciably over the next few days and the flood peak has entered the Bei Jiang dike area. This, plus the rising water level in the Xi Jiang, means the high water level will last for some time. This will still pose a major threat to the safety of the earthen dike. Moreover, the weather may worsen, and work is under way to strengthen the dangerous section of the dike, but the situation of the dike foundation, which has a high degree of water penetration, is even more grim.

Early this morning and in the daytime, the water situation in Bei Jiang was most critical. At 0300, 0800, 1000, 1400, and 1500 today, the water levels at the Bei Jiang dike measured at Qingyuan, Shijiao, Lubao, Datang, and Huangtang stations all were higher than the highest figures ever recorded in the past 50 years. After that, the water level at various sections dropped slightly, but rose again quickly after 1800. By 2200 today, the water levels at the five stations rose again, reaching 16.34, 14.80, 12.46, 13.94, and 11.93 meters, respectively, higher by 10-20 cm than the highest figures ever recorded in the past 50 years.

According to Ou Guangyuan, head of the flood-control headquarters at the Bei Jiang dike, the water situation tonight and tomorrow will be very critical because the water level at the Bei Jiang dike will reach the highest point tonight. Afterward, it will drop slowly. The Xi Jiang floods also will reach the highest point tomorrow. The simultaneous rise of water in the two rivers will keep the water level high for 6-8 days. The time between now and 26 June is a tide-flowing period. Having been subject to the high water level pressure for a long time, the Bei Jiang dike will face a test.

Until now, there have been no major breaches of the Bei Jiang dike, but owing to the loose soil at the dike's base, there have been leaks and gushes of water in scores of places. Both early this morning and in the daytime today, the most critical situation happened in Shijiao, where there were many leaks along the 16-km dike. There were 17 leaks in a single 3-km section. Some 300 soldiers have been dispatched to the scene to plug holes with sandy soil and stone. In the evening, a serious leak

occurred in the Shijiao-Xialingzhou section, to which Ou Guangyuan hastily dispatched 900 soldiers to deal with the emergency.

According to statistics from Zhaoqing, Qingyuan, Shaoguan, Foshan, Jiangmen, and the Bei Jiang dike, the number of people taking part in controlling floods and dealing with emergencies has reached 506,000. At 0400 today, the Guangdong Provincial CPC Committee and provincial government delivered 100 tonnes of biscuits and 100,000 bottles of mineral water to Yingde to be airdropped by the air force to the 70,000-plus victims who are still trapped by the floods in that area.

In dealing with the worst flood in 50 years, Guangdong has received vigorous support and help from the Guangzhou Military Region. The support troops have energetically organized people to inspect dikes, watch the water situation, enforce dikes, repair roads, and plug leaks and holes in dikes.

At 1400 today, accompanied by Zhang Guoying, deputy secretary of the provincial party committee; vice governor Ou Guangyuan; and Major General Yu Lusheng, head of the Army flood-control headquarters at the Bei Jiang dike and deputy commander of the provincial military district; General Li Xinlin, commander of the Guangzhou Military Region; along with Lieutenant General Yang Zhengang of the Guangzhou Air Force; Major General Gong Gucheng, chief of staff of the Guangzhou Military Region; political department director Major General Lei Mingqiu; logistics department director Major General Chen Tianlin; Major General Liu Yuanjie, political commissar of the Guangdong Military District; Rear Admiral Zhang Zhensheng, commander of the Guangzhou Naval Base; and Rear Admiral Li Xinguo, political commissar of the Guangzhou Naval Vessels Academy; visited the commanders and fighters of the troops protecting the Bei Jiang dike. General Li said: The 30,000-plus officers and men of the Guangzhou Military Region are standing in readiness for orders to go to the dike at any time to deal with emergencies and combat floods.

This afternoon, on behalf of Xie Fei, member of the Political Bureau of the CPC Central Committee and secretary of the Guangdong Provincial CPC Committee, and Guangdong Governor Zhu Senlin, Deputy Secretary Zhang Guoying extended greetings to the 5,000-plus officers and men at the forefront of combating floods and dealing with emergencies.

Guangdong Holds Symposium on Deng Xiaoping Theory

HK2106035094 Guangzhou Guangdong People's Radio Network in Mandarin 0400 GMT 15 Jun 94

[Text] A four-day symposium on Deng Xiaoping's theory of opening up to the outside world was inaugurated in Guangzhou this morning. Yu Youjun, director

of the provincial party committee's propaganda department, attended and delivered an important speech at the opening ceremony.

Vice Governor Lu Ruihua, member of the provincial party committee standing committee, submitted to the symposium a dissertation entitled: "Have the Whole World in View, Greet the New Century."

The symposium is intended to mobilize the Guangdong people to conscientiously study Volume 3 of *Selected Works of Deng Xiaoping*, and to explore new ways and means aimed at seizing excellent opportunities and expanding Guangdong's opening up to the outside world under the new situation. More than 70 dissertations have been submitted to the symposium.

Zhuhai Factory Demolished Despite Missing People

HK2106052994 Hong Kong SOUTH CHINA MORNING POST in English 21 Jun 94 p 1

[By Adam Lee in Macao and Shirley Kwok]

[Text] The remains of a six-storey factory in Zhuhai which collapsed last week were blown up yesterday, despite fears 20 people were trapped in an adjacent pile of rubble. Zhuhai authorities said the demolition was to prevent further accidents.

The official death toll from the collapse rose to 38 when another 14 bodies were plucked from the three-storey debris. The number of injured in Zhuhai's worst industrial accident stood at "more than 160". A government spokesman said the rescue would continue but was getting more difficult.

Fire swept through the Yu Xin Textile Factory in Qianshan on Thursday and the front half of the building caved in the following day after torrential rain.

Two hundred workers were inside, having been ordered back by their joint venture Hong Kong bosses to retrieve the cotton stock.

After nearly four days of digging, Zhuhai authorities decided yesterday to use explosives to demolish the remaining half, fearing it could collapse.

The explosion was set off at 5.20 pm, 75 hours after workers were buried. The walls cracked and the building folded in the centre and disappeared in a cloud of dust.

Public Security Bureau officers and the People's Liberation Army sealed off a 500-metre area and city authorities declared a news blackout on the operation.

A group of 20 Hong Kong and Macao journalists and photographers hid behind bushes about 300 metres from the scene for more than two hours, but were discovered by a soldier and expelled minutes before the explosion. Their film was confiscated.

Hong Kong unionists last night criticised the authorities for ending hopes of survivors. Winnie Tam Pik-yan, executive secretary of the 130,000-strong Hong Kong Confederation of Trade Unions, said: "My God, how come the Government did that? How about those still trapped?"

"There may be people waiting for help. Although the chance of their survival gets smaller as time goes by, no one can deny them the chance."

The Government should have waited at least a week before blowing up the part of the factory still standing, she said.

Zhuhai officials said the explosion was "directional" and would not affect the rubble where the missing workers were. An official said bulldozers and heavy machinery would be brought in today to remove debris.

Earlier, Zhuhai Municipal Government spokesman Yang Shuisheng said "about 20" workers were missing, but the chances of anyone being alive were slim. The Government allowed relatives of the dead mainly migrant workers from rural areas—to identify remains at the crematorium. Fourteen bodies were identified.

Most of the relatives were angry that the management had sent workers back into the damaged factory. Some shouted abuse and gestured at management staff.

Relatives discussed compensation with the management but no announcement was made.

Henan Meeting Relays Zhu Rongji, Hu Jintao Speeches

HK2106032094 Zhengzhou Henan People's Radio Network in Mandarin 1030 GMT 14 Jun 94

[Text] On the afternoon of 13 June, the provincial party committee held a meeting to relay and study the spirit of a series of speeches made by Comrades Zhu Rongji and Hu Jintao during their recent inspection of Henan. The meeting also reported on the province's present economic situation.

Ma Jianzhang, member of the provincial party committee standing committee and director of the organization department, presided over yesterday afternoon's meeting, at which Ren Keli, deputy secretary of the provincial party committee, relayed the spirit of a series of speeches made by Zhu Rongji and Hu Jintao during their recent inspection of Henan. Zhu Rongji and Hu Jintao are members of the Standing Committee of the CPC Central Committee Political Bureau.

Ren Keli said: On winding up their inspection of Henan, Comrades Zhu Rongji and Hu Jintao fully affirmed the province's achievements. Comrade Zhu Rongji stressed that Henan should strive to constantly tighten macroeconomic regulation and control; step up capital construction; effectively control consumption funds; stop

building too many enterprises; safeguard overall interests; properly handle relations between reform and development, on the one hand, and stability on the other; maintain market stability; and stabilize prices.

Comrade Hu Jintao urged leading comrades at all levels in Henan to go deep into the grass-roots level and the production forefront to listen to the views of the broad masses of the people; help the broad masses of the people resolve real problems; and develop the excellent situation at the moment. Comrade Hu Jintao stated that the key to successful work lies in building a stronger party. He urged the Henan comrades to make continued efforts to build competent leading bodies, enhance grass-roots party organizations, and turn grass-roots party organizations in the rural areas into a powerful fighting force.

Ren Keli noted: In accordance with the spirit of the series of speeches made by Comrades Zhu Rongji and Hu Jintao, the provincial party committee standing committee meeting held a meeting on 12 June which discussed and drew up some 14 measures aimed at implementing the spirit of the series of speeches made by Comrades Zhu Rongji and Hu Jintao during their recent inspection of Henan.

Ren Keli called on all provincial departments concerned to take immediate action to strengthen coordination and cooperation with one another and to implement strictly all 14 measures drawn up by the provincial party committee standing committee as soon as possible.

Entrusted by the provincial party committee and government, Vice Governor Yu Jiahua delivered a report on the province's present economic situation. He said: This year, Henan has implemented conscientiously the general principle drawn up by the CPC Central Committee and the State Council on seizing each and every opportunity, deepening reform, expanding opening up, promoting development, and maintaining stability by properly handling relationship between reform and development, on the one hand, and stability on the other; by strengthening and improving macroeconomic regulation and control; and by strictly implementing various reform measures. As a result, the province has enjoyed an excellent macroeconomic situation, as well as rapid and healthy national economic growth. Nevertheless, the province also has come across certain problems that merit special attention. In light of this situation, the provincial party committee and people's government already have implemented a series of measures to resolve them.

Yesterday afternoon's meeting was attended by the provincial party committee, people's congress, people's government, and Chinese People's Political Consultative Conference committee leaders, as well as principal leaders in charge of the provincial departments concerned.

Southwest Region

NPC Chairman Qiao Shi Inspects Guizhou

HK2006074794 Guiyang Guizhou People's Radio Network in Mandarin 2300 GMT 15 Jun 94

[Text] When inspecting Guizhou from 7 to 14 June, Qiao Shi, member of the Standing Committee of the CPC Central Committee and chairman of the Standing Committee of the National People's Congress, pointed out: Guizhou should seize opportunities, accelerate development, and further bring about the enthusiasm of the masses of the people of all nationalities and the vast number of party-member cadres so that it will gradually forge ahead along the path of economic development with great strides as an inland province which is not situated near the sea, rivers, or boundary lines.

Accompanied by provincial party Secretary Liu Fangren, Governor Chen Shineng, provincial people's congress standing committee Chairman Wang Chaowen, and others, Qiao Shi drove for thousands of li and went down to industrial and mining enterprises, schools, nationality villages, and peasants households in Qiannan and Qian-dongnan Prefectures, and held extensive contracts with the masses of people and cadres to find out about their production, lives, education, and their efforts to shake off poverty. Qiao Shi was very pleased after having learned that the economies of these nationality areas had developed, their people's living standards had improved, social stability prevailed, and people of all nationalities lived in harmony. In Yaonshan township in the Yao Nationality, Libo County, walking along a country path, Comrade Qiao Shi visited the home of He Laopo who was a peasant and inquired if his family had enough grain to eat and if they had difficulties in production and their livelihood. In a nationality primary school in Yaoshan Township, township head He Zhiyong informed him: In the last few years, although Yaoshan is poor, it has never relaxed its efforts in education. Comrade Qiao Shi was relieved to hear that and said to the provincial, prefectural, and county leaders who were around him: Well done. It is important to pay close attention to education. So long as the cultural quality of the peasants is raised, there will be hope of putting an end to the rural areas' poverty and backwardness. At Miaoliang Village in the Shandu Shui Nationality Autonomous County, after visiting a room for the village party branch and also for militiamen and youths to carry out their activities, Qiao Shi said with elation: This is good form. If all rural grass-roots units function well, we can accomplish our work. He hoped the Shui Nationality would unite with all other nationalities across the country and better carry out national construction. At the Duyun Dongfang Machine Tool Plant and the Kali Polyester Fiber Spinning and Weaving Machine Company, Comrade Qiao Shi warmly shook the hands of the workers, which were stained with greasy dirt, and spoke with them, inquiring in detail about their enterprises' production, operation, and product sales. He encouraged enterprises to make great efforts to improve product

quality, open up more markets, and develop themselves by relying on their own strength.

On the afternoon of 11 June, accompanied by the provincial and Qiandongnan autonomous prefectural leaders, Chairman Qiao Shi arrived at Langde Village of the Miao nationality in Leishan County. With compatriots of the Miao nationality clustering around, he climbed up along a small winding path and after drinking wine offered by the hospitable compatriots of the Miao nationality, he arrived at the village cultural center, where he watched with great interest traditional Miao nationality programs including dances performed by villagers accompanied by reed pine wind and other instruments. When the chairman danced a unity dance with the villagers to the drum beats, the gaiety reached a climax. At the end, the chairman wrote an inscription with a brush, which read: Strengthen national unity and develop the economies of the nationality areas.

During his visit to our province, Comrade Qiao Shi also visited the former residence of the martyr Deng Enmin, deputy of the party's first congress, and the nationality museum of Qiandongnan Autonomous County. He also listened respectively to the work reports of the provincial party committee, the provincial people's congress, and the provincial government and made an important speech. He pointed out: Now is the best time for our country's construction and development. The domestic and international situations are conducive to our country's economic construction. He encouraged everybody to have a profound understanding of Comrade Deng Xiaoping's important instructions, seize the opportunity, and further develop Guizhou's economic construction.

When discussing Guizhou's economic work, Qiao Shi said: Guizhou, which is not situated near the sea, rivers, or boundary lines, has vast mountain areas which are poverty stricken and beset with many difficulties. For Guizhou to solve its difficulties, it is true that the province needs support from the central authorities and help from all sides concerned, but in the final analysis, it should rely on its own strength. Importantly, it must be noticed that Guizhou has huge potential and many strong points, which should be brought into play by relying on the masses of the people to invigorate the province's economy. He fully affirmed the practice of the provincial party committee and government to always put agriculture and rural work in the first place of economic work. He said: Guizhou has had great success in developing agriculture. It should take a broader view of things and implement the idea of agriculture in a broader sense down to work in all fields generation after generation. Guizhou has good prospects for agricultural development. While doing a good job of grain, it should develop animal husbandry, cultivation, and commercial crops, such as fruits and tea, by suiting measures to local conditions. It should develop township and town enterprises by basing itself on local raw and semifinished materials, in particular, processing industries. He pointed out: Guizhou has extremely abundant natural

resources, in particular, energy and nonferrous metal resources. Guizhou's strong points, dubbed the coal sea of the area south of the lower reaches of the Zhang Jiang, should be brought into good play. Its rich water resources should also be exploited and utilized at an accelerated pace, with equal stress on the development of thermal and hydropower stations. Guizhou has a considerable foundation for aluminum production and, moreover, it has electric power. So aluminum production has bright prospects.

In road construction, Guizhou should strive to build more main highways to link with the high-grade highways of the surrounding provinces and autonomous regions. Forces of all sides concerned should be mobilized to expedite construction in other fields of endeavor. Every possible means should be tried to speed up the construction of projects where conditions are ripe. Qiao Shi stressed: For Guizhou to speed up the pace of its development, it should bring the enthusiasm of its 34 million people of all nationalities into full play and strengthen lateral ties and cooperation with its fraternal provinces, municipalities, and autonomous regions while striving for support and help from the central authorities and relevant departments. It should speed up the pace of reform and opening up to the outside world, do a good job of building the investment environment, and absorb more foreign capital and technology. To put it briefly, we hope that Guizhou will further emancipate its mind, acquire a broader view of things, take a broader path, open up more avenues of development, and strive for faster economic development.

When talking about the work of the people's congress, Qiao Shi stressed: We should strengthen the building of socialist democracy and legal system and establish a law system commensurate with the socialist market economy in accordance with Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics. He said: The task of the people's congress is very important. The work of the people's congresses at all levels, including legislation, publicity on the legal system, and supervision of law enforcement, should be strengthened. To establish a law system for the socialist economy, we should mobilize forces from all sides concerned to get involved. This is also a process of extensively developing democracy. Strengthening the work of the people's congresses at the grass-roots level is of great significance to the building of the basic-level party organizations, of political power, and of the legal system. Comrade Qiao Shi believes that under the leadership of the provincial party committee and government, the people of all nationalities in Guizhou will surely be able to build Guizhou better by upholding the party's basic line, deepening reform, and opening wider to the outside world.

Ismail Amat Hails Tibetan Art Troupe
*OW1906012494 Lhasa Tibet People's Radio
Network in Mandarin 1400 GMT 18 Jun 94*

[Excerpt] On 15 June the State Council Information Office [SCIO], the United Front Work Department

[UFWP] of the CPC Central Committee, the State Nationalities Affairs Commission [SNAC], and the Ministry of Culture jointly sponsored a victory meeting for the Tibetan Art Troupe that just returned home triumphantly from its maiden international tour.

Present at the meeting were State Councillor Ismail Amat; SCIO director Zeng Jianhui; Tudao Doje, vice minister of the SNAC; Liu Deyou, vice minister of culture; and Li Dek Su, deputy director of the UFWP.

Leaders of the four units delivered ebullient congratulatory speeches at the meeting. They fully affirmed the art troupe's first, immensely successful international tour. They believed that the art troupe not only triumphantly accomplished its tour but also displayed with flying colors the graceful bearing of Tibet. Its repertoire, filled with the characteristics of Tibetan culture and artistic charm, shook Austria and Sweden. It demonstrated to the world that the magnificent Tibetan culture is fully protected and flourishing in the vast territory of the motherland, exposing with facts the rumors spread by splitist forces abroad and enabling more people to gain a correct understanding of Tibet. [passage omitted]

North Region

Beijing Issues Countermeasures to Draught

OW2006075994 Beijing XINHUA in English 0722
GMT 20 Jun 94

[Text] Beijing, June 20 (XINHUA)—The continuous high temperatures in the past month or so in and around the nation's capital city have left tens of thousands of ha [hectares] of farmland parched.

Beijing has been dry for more than ten months. Water reserves in the Guanting and Miyun reservoirs, the two main water suppliers for Beijing, are decreasing, and the underground water table is continuously dropping.

It is estimated that if the high temperatures continue, during this summer the city will be short of 150,000 cu m to 230,000 cu m of water daily.

The municipal government has taken measures to control industrial water use to ensure the needs of its residents.

Establishments which use more than the allowed amount of water will be charged double the normal fee.

Beijing is promoting a household-water-saving drive among its city residents. Every household should be equipped with a water meter. And residents are advised to use water more than once before it is drained off, for instance, using the water in which clothes have been washed to clean the floor.

Meanwhile, the high temperatures and lack of rain are threatening the summer crop planting in the suburbs.

Hebei Secretary on 'Unhealthy' Construction Trends

SK1706124594 Shijiazhuang HEBEI RIBAO in Chinese 11 Jun 94 p 1

[By Reporter Han Shaojun (7281 4801 0689); "Persistently Popularize the Public Bidding System"]

[Text] The numerous unhealthy trends arising in the public bidding system of Hebei's construction and decoration trades due to imperfect market system have drawn the great attention of the provincial party committee. On the afternoon of 7 June, Cheng Weigao, secretary of the provincial party committee, and other provincial leaders, including Liu Shanxiang and Guo Shichang, heard reports on popularization of the public bidding system and the unhealthy trends in the construction market given by the provincial and Shijiazhuang city construction committees, construction industry bureaus, and bidding offices. Chen Weigao pointed out: Construction and decoration trades have made important contributions to Hebei's urban construction and construction of key projects, but some architectural and construction units have conducted trade between power and money when contracting construction projects because the construction market has yet to be fully cultivated, the mechanism of market competition has yet to be standardized, the laws and regulations for the trades are imperfect, and management of the trades is still weak. This has not only brought about tremendous economic losses to the state and turned a number of important projects into high-priced and low-quality projects with hidden danger. But it has also led some cadres to the road of crimes, such as bribery and embezzlement. This has become a conspicuous problem in the anticorruption struggle. For this reason, in our effort to oppose corruption, advocate honesty, and correct the unhealthy trends of some trades, we should pay attention to this problem.

Cheng Weigao emphasized: To make the work successful, we should coordinate the endeavors to build the market, strengthen management of public bidding work, establish the market competition mechanism, and strengthen the supervision and management of the market with those to oppose corruption and advocate honesty, check unhealthy trends, and investigate and handle major and serious cases. He called for efforts to start with five aspects of work. First, we should strengthen the fundamental managerial work for construction projects. We should clarify who are to hold the responsibilities, implement the project report system, screen and approve the projects strictly based on their planning, designing, and construction procedures, make all construction units implement the public bidding system, and strengthen the supervision and management of the quality after the projects are started. Second, the public bidding system should be persistently applied to all construction and decoration projects. The extremely small number of projects to which the system cannot be applied due to special reasons should be screened and

approved by authorized departments. Projects for which bids are to be negotiated should be screened and approved by authorized departments before bids are determined. In the process of inviting and entering bids, government administrative departments are prohibited from giving intervention, and leading cadres are prohibited from giving hints on or forcing the designation of the construction units by giving approvals or admonitions. Construction units which give pressure on architectural units in the name leading cadres and intervene in the bidding procedures, once discovered, should be disqualified from the construction and dispelled from the province if they come from other provinces. Construction licenses will not be issued to the architectural units which do not invite bids or negotiate bids without approval. Third, focusing on promoting the public bidding system, we should establish and improve the compatible construction market mechanism as well as laws and regulations. We should also establish and improve bidding organizations, appraisal organizations, and intermediary organizations. Fourth, in the process of inviting and entering bids, it is strictly forbidden to give parties and gifts or to offer sight-seeing tours in the name of observation. Fifth, we should investigate and handle major and serious cases. When construction investment is found to be greatly disparate from the construction results, we should strengthen auditing and inspection of them and sternly deal with the people who have abused power to extort money and take and ask for bribes.

Hebei's Baiyangdian Lake Dry 'Again'
*OW2106083394 Beijing XINHUA in English 0820
GMT 21 Jun 94*

[Text] Shijiazhuang, June 21 (XINHUA)—Baiyangdian, a renowned lake and tourism attraction in north China's Hebei Province, has become dry again at this time this year, resulting in losses to a dozen counties and cities around it.

More than 180,000 people live by the lake.

The few tourists are found walking on the dried-up lake bed and tourism boats are laid up. Hotels, restaurants and holiday villages are closed.

The present time would normally be the high season for local tourism. But the 390-sq-km lake, which used to be famous for its aquatic products, is now nearly bare of visitors.

Zhu Weijue, a deputy chief engineer with the Hebei Provincial Water Conservancy Bureau, said that the present drought, starting in 1991, has been the worst in 50 years. Water from rivers feeding the lake has been diverted for agricultural and industrial use.

The Hebei provincial government is making efforts to help local people fight the drought and try to reduce the damage to the minimum.

The lake was dry for five years from 1983 to 1987, its longest dry period. In 1988, the lake was again filled with water.

Zhu said weather forecast shows that it will be a dry year for the central and southern parts of northern China, including Baiyangdian lake. Rainfall will be far from enough to refill the lake in the near future, he noted.

Inner Mongolia Secretary on Aiding Poor

SK2006071594 Hohhot NEIMENGGU RIBAO in Chinese 7 Jun 94 p 1

[By reporters Chen Yongping (7115 3057 1627), Yu Jie (0060 2638), Wang Qing (3769 7230); "Wage Arduous Struggle, Open Up and Keep Forging Ahead, Ensure the Fulfillment of the '3-7 Specific Plan for Helping the Poor'"']

[Excerpts] Wang Qun, secretary of the autonomous regional party committee, delivered a speech at the regional work conference on helping the poor to achieve development on 6 June, in which he pointed out: It is very important for the region to fulfill the "3-7" plan for dealing with the problems encountered by 30 million poor people throughout the region with regard to dressing warmly and eating their fill during the seven years before the end of this century. Therefore, we must adhere to the theory of Comrade Deng Xiaoping with regard to building socialism with Chinese characteristics and to the party's basic line, be based on reality, fulfill the plan on schedule and without fail, and win a victory in handling the knotty problems.

Attending yesterday's conference were leading personnel from the regional level organs, including Qian Fenyong, Bai Enpei, Liu Zhen, Zhang Tingwu, Yang Zizhen, and Alatanaaoqier.

In his speech Wang Qun pointed out: The "8-7" plan formulated by the CPC Central Committee and the State Council for helping 80 million poor people throughout the country deal with their problems of dressing warmly and eating their fill during the seven years before the end of this century has a bearing on the whole situation. It is a big event that has a bearing on the interests of China and the Chinese nation. Over the past half century, the CPC has experienced countless complications in leading the people of various nationalities across the country and also scored great achievements attracting worldwide attention. However, there are 80 million people in the country and 30 million people in the region, who are still in poverty status. This warrants leadership at all levels meditate. In this sense, fulfilling the "8-7" specific plan marks a great historical change in which China and Chinese nation have thereupon cast off the poverty and entered a brand-new, wealthy, civilized, and developed period. Only by thoroughly casting off poverty can we eloquently prove that poverty and polarization do not belong to socialism. Only commonly becoming wealthy represents the socialism with Chinese characteristics and can prove that the CPC is completely and thoroughly

working for the happiness and interest of the vast majority. Wang Qun pointed out: We should implement the spirit of directive given by Comrade Jiang Zemin with regard to "thinking of new ways in helping the poor." Specific measures adopted by the region in fulfilling its "3-7" plan chiefly are as follows:

1. It is imperative to foster the viewpoints of the market economy in helping the poor by handling the knotty problems. The establishment of systems of socialist market economy has brought about an excellent opportunity of development to the poor localities. The volume of demands raised by both vast domestic and foreign markets to the professions of planting and raising and to the industries of natural resources has become increasingly large. This is just a good opportunity for the poor localities to vigorously carry out their plans. We must renew our concepts and accelerate the development of the large-scale commodity economy. We cannot become wealthy by engaging in the production of petty commodities and will certainly be rich by engaging in the production of important ones.

2. We must first help the poor foster their confidence while giving support to them. We should direct the poor localities and households to wage an arduous struggle, to be self-reliant, to define their own goal in line with their reality, and to be determined to cast off poverty and become wealthy.

3. In helping the poor by handling the knotty problems, we should be based on deepening the reform in rural and pastoral areas. According to the market law, a good job should be done in readjusting the industrial structure and product mix of rural and pastoral areas. First, we should stabilize the household responsibility system linked with their output of rural and pastoral areas. Based on this foundation, we should establish or improve the dual system with the integration between centralized and decentralized management and gradually expand the scale of collectively owned economy to enhance the actual strength of collectives in helping the poor. Efforts should be made to bring into play the enthusiasm of collectives and poor households so as to give full expression to the socialist superiority.

4. In helping the poor by handling the knotty problems, we must adhere to the principle of supporting the poor in the course of development. Supporting the poor in the course of development means that it is necessary to rely on the joint forces fostered by the state support and the cooperation of the masses to develop or build the projects of casting off poverty and becoming wealthy. In view of the autonomous region, measures to conduct capital construction among farm fields and pastoral farms and to build the projects of ecological benefits should be adopted to improve the productive conditions and to build some proper-scale bases of farm and live-stock commodities, which have stable and high yields as well as high benefits.

5. In helping the poor by handling the knotty problems, we should concentrate our financial and material resources on giving priority to dealing with the key problems encountered by poor localities and households and on creating necessary conditions for them.

6. In helping the poor by handling the knotty problems, we should bring political strong points into play. The region has had a long-standing tradition of unity among the nationalities and progress, as well as of equality and mutual assistance among various nationalities. We should carry out the activities of encouraging the masses to commonly become wealthy, issue the letter of responsibility to every household, and turn the activities into the conscious act of the masses.

7. In helping the poor by handling the knotty problems, a good job should be done in conducting intellectual, scientific, and technological support. In conducting poverty control, we must first carry out ignorance control and vigorously conduct the activities of social education. Efforts should be made to forcibly make cultural knowledge popular, to popularize science and technology, and to enable the poor households to obtain one or several capabilities in technology.

8. Tasks adopted for helping the poor by handling the knotty problems should be fulfilled within the given date. Leadership at all levels should integrate without conditions or haggling the principle of having the people, townships (sumu), banners (counties) become wealthy with the development of the banner-county level economy, as well as of township and vanguard enterprises. They should develop enterprises with various ownerships and be winners in having markets well in mind and in casting off poverty.

Lastly Wang Qun stressed: Party committees and governments at all levels should enhance their leadership over the work. Principal leading personnel should take personal charge of the work and leading personnel sharing the tasks in this regard should earnestly grasp the work. They should strengthen their services and realistically assume the duties imposed on them by history. Efforts should be made to establish the systems of supervision and inspection in this regard and to win a new victory in deepening the reform, fostering unity and stability, and making the economy leap forward.

During the work conference, Wu Liji also delivered a speech in which he pointed out: In fulfilling the region's "3-7" plan for helping the poor by handling the knotty problems, it is imperative to achieve in adhering to the following seven principles:

First, we should adhere to the principle of integrating the work of dealing with the problems of dressing warmly and eating one's fill with that of becoming better-off and wealthy. [passage omitted]

Second, we should adhere to the principle of integrating the work of helping the poor in the course of development with that of helping the poor while conducting opening up. [passage omitted]

Third, we should adhere to the principle of integrating the work of encouraging the people to become wealthy with that of encouraging townships, banners, and counties to do so. [passage omitted]

Fourth, we should adhere to the principle of integrating economic development with intellectual development. [passage omitted]

Fifth, we should adhere to the principle of integrating material production with population growth. [passage omitted]

Sixth, we should adhere to the principle of integrating the material civilization drive with that of spiritual civilization. [passage omitted]

Seventh, we should adhere to the principle of integrating state support with local self-reliance. [passage omitted]

Tianjin Winds Up Counterfeit Trafficking Case

SK2006070294 Tianjin TIANJIN RIBAO in Chinese
10 Jun 94 p 5

[Text] The Hongqiao District people's court examined and concluded a case of trafficking in and counterfeiting state money; and punished, according to laws, the criminal offenders relating to this case. Zhao Zhixiang was sentenced to six years imprisonment and a 5,176 yuan fine was imposed. Sun Yuhong was sentenced to six years imprisonment. Lu Zhenjie was sentenced to three years imprisonment and three years probation.

While chatting with Sun Yuhong, a peasant from Anhui Province working in Tianjin, Criminal Zhao Zhixiang was informed that Renminbi can be changed for counterfeit Renminbi in Jieshou city of Anhui Province, where Sun was from. Zhou thought that he could seek profits from this. Therefore, they ganged up with Lu Zhenjie, with whom they were acquainted. Through premeditation, these three persons went to Jieshou city last September. Lu Zhenjie waited for them at an inn. Through the contacts of Sun Yuhong, Zhao Zhixiang and Sun Yuhong respectively changed 10,000 yuan, which were offered by Lu Zhenjie, for 27,650 yuan according to different exchange proportions. In this very period, Zhao Zhixiang did not return to the place where they stayed at the appointed time. Lu Zhenjie thought that the real fact was exposed and went back to Tianjin. Zhao and Sun went back to Tianjin with counterfeit money and gave Lu 20,800 yuan. Zhao, Sun, and Sun Yumin, Sun's brother (who had once been transformed through labor) bought, on several dozen occasions, cigarettes, food-stuffs, handkerchiefs, and some other goods with the counterfeit money in Tianjin. They spent more than 3,000 yuan of counterfeit money.

After learning of Lu's activities, Lu's relatives met with Zhao Zhixiang several times and asked him to exchange the counterfeit money for 10,000 yuan in Renminbi. Zhao refused and both sides argued with each other. On 26 September last year, accompanied by his relatives, Lu Zhenjie took his counterfeit money, totaling 20,800 yuan, and surrendered to the security organ. Simultaneously, Zhao and Sun were arrested under Lu's guidance.

The security organ discovered 3,100 yuan of counterfeit money at Zhao Zhixiang's house. In addition to 20,800 yuan surrendered by Lu Zhenjie, 23,900 yuan of counterfeit money was withdrawn by the Tianjin branch of the People's Bank of China.

Tianjin Diversifies Professional Education

OW2106021494 Beijing XINHUA in English 0138
GMT 21 Jun 94

[Text] Tianjin, June 21 (XINHUA)—Professional education in this north China port city is becoming diversified as more than 300 such schools with over 500 specialities in basic and higher learning have been founded over the past few years.

According an education official, in Tianjin there are now more than 100,000 students who are studying at various vocational schools. About 40,000 graduate every year.

"Entering university is not the sole choice for high-school students," the official said.

To meet the increasing demands of the booming labor market, he said, the city has since 1990 earmarked more than 70 million yuan to build vocational schools. And township enterprises and foreign-funded joint ventures are also encouraged to run such schools.

The city has trained a total of over 110,000 specialists and skilled workers in technology and management over the past four years.

According to the official, in the coming years the focus of professional education is to be shifted to the rural areas, and about 70 percent of rural middle-school graduates will be trained in special skills.

World Cable TV Fair Opens in Tianjin

OW1906130094 Beijing XINHUA in English 1248
GMT 19 Jun 94

[Text] Tianjin, June 19 (XINHUA)—The '94 International Cable TV and Satellite Reception Devices Fair opened yesterday in this, north China's biggest port city.

The four-day fair, aiming to promote the development of cable television technology and equipment, is the largest of its kind ever held in the country.

Some 19 overseas firms and 150 domestic companies are taking part in the fair. Nearly 1,000 items of cable TV equipment and satellite receiving devices are on display.

including optical fiber transmission, multi-media communication and three-dimension image installations.

By the end of 1993 China had more than 20 million cable TV customers, accounting for 10 percent of the country's total number of television owners.

Analysts here predict that the number of cable TV sets will grow at the rate of 30 percent every year.

Northeast Region

Heilongjiang Vice Governor Discusses Reform

*SK2106064694 Harbin HEILONGJIANG RIBAO
in Chinese 10 Jun 94 p 1*

[By Reporters Fan Xinzhu (5400 2956 4554) and Si Hanke (0674 3352 4430); "Conscientiously Resolve Difficulties, Carry Forward Property Rights Reform"]

[Text] The reform of the property rights system of state-owned small-sized enterprises has been comprehensively carried forward throughout Heilongjiang, and the situation is good. This is what the reporters were informed at the forum on the property rights reform of Heilongjiang's state-owned small-sized enterprises, which concluded in Suihua on 9 June. Vice Governor Cong Fukui attended and addressed the forum.

According to the introduction, the reform of the property rights system has been carried out in an all-round way among the state-owned small-sized enterprises in our province. By the end of March this year, 1,208 out of the 2,954 state-owned small-sized enterprises in our province had carried out property rights system reform, accounting for 41 percent. Of them, 104 became shareholding enterprises; 157, shareholding cooperative enterprises; 53, enterprises transformed with advanced technology and funds from abroad; 303, enterprises managed on a leasing basis; 109, enterprises with multiple systems; 113, enterprises with contracted assets; 103, enterprises closed down and suspended; 47, bankrupt enterprises; 29, enterprises selling assets. 126, enterprises separating ownership from management right, and 64, enterprises other than the above. The reform has attained the results of strengthening the enterprises' vigor, stabilizing the society, maintaining and increasing the value of state-owned assets, and alleviating enterprises' contradiction in the shortage of funds. It not only brought about direct economic efficiency but also created a good start for further developing the property rights reform.

Cong Fukui requested at the forum: In the future work of property rights reform, we should emancipate our minds, have the courage to make a breakthrough, and practice boldly. In reforming property rights, we should particularly resolve all difficulties. He said: Transforming mechanism, increasing vigor, improving reform, enhancing strength, unloading the burden, decreasing the pressure, and promoting the development

of enterprises are the aims of enterprise property rights reform as well as the difficulties that need to be conscientiously resolved.

Much importance should be attached to transforming mechanisms, strengthening management, and solving the problems of deficient vigor. Enterprises which implement property rights reform should operate with a new management mechanism. Therefore, in property rights reform, we should conscientiously carry out the two "regulations"; grasp the work of transforming enterprise management mechanism; grasp the work of adjusting enterprises' organizational structure; grasp the work of building a modern enterprise management system and strengthening enterprises' management; and especially establish the company constitution, do business in accordance with rules, manage strictly, enforce discipline strictly, etc...

We should pay attention to strengthening technological transformation to increase the reserve strength and resolve enterprises' problems of deficient strength.

The enterprises which implement property rights reform should lay particular emphasis on using stock-holder' funds in technological transformation to strengthen enterprises' competition ability.

We should lay stress on transforming government functions, doing a good job in service, and resolving enterprises' problems of having too much pressure.

The government must strengthen guidance to enterprises, do a good job in service, and create a good external environment for enterprises to implement property rights reform. The government should take the responsibility for social welfare, make enterprises gradually turn the function of supporting social welfare to the government, and, furthermore, under certain conditions, divert and separate personnel to develop production and business.

Much importance should be attached to perfecting the old-age and unemployment insurance systems to eliminate enterprises' trouble back at home.

In this year, breakthrough should be attained in improving the old-age and unemployment insurance systems. The means to achieve the breakthrough is to develop real social insurance, whose funds should be paid by three parties, namely staff members and workers, enterprises, and the state. In the mean time, we should step up efforts to explore as well as build a unified social insurance institution, which supervises, checks, controls, and makes use of the insurance fund. We should guarantee the effective operation of the company system and prevent change in forms but not in contents and taking the old road. Responsibility and right should be clearly defined to make the investors enjoy, according to their capital invested, the proportioned rights of choosing managerial personnel, being benefited from assets, and important policymaking. The rights, responsibilities, and benefits of shareholders, the board of

directors, and managers should be defined scientifically and clearly so that they establish a relationship, in which the three parties restrict each other, to insure the effective operation of the company system.

Jilin Secretary Presides Over Study Meeting

SK1806001394 Changchun JILIN RIBAO in Chinese
7 Jun 94 p 1

[Excerpts] According to the arrangement made by the CPC Central Committee for cadres to study the theories and the study arrangement made the theoretical study central group under the provincial party committee, the theoretical study central group held its third study meeting of 1994 presided over by Comrade He Zhukang in Changchun from 2 to 4 June.

The study meeting is aimed at studying in an overall way the Volume 3 of *Selected Works of Deng Xiaoping*, emphatically studying the theories of socialist market economy based on accurately understanding and grasping the whole situation in the work of the entire party and country as a whole, and further upgrading the capability of having the socialist market economy well in hand and the level of leading the work in the market economy by integrating the study with that of basic knowledge of modern science and technology. [passage omitted]

The central group contended that in engaging in the socialist market economy, a good job should be done in handling the integration in theory and practice between the market economy and the social system. Enterprises are the most important norms of markets. In developing the market economy, emphasis should be placed on emancipating the mind, seizing the opportunity, deepening the reform among enterprises, and establishing modern enterprise systems. [passage omitted]

The central group contended that commodity prices are the essential factors of markets and that a success in the price reform represents a precondition for establishing the systems of socialist market economy. [passage omitted]

The central group contended that the state-owned large and medium-sized enterprises are the pillar of the national economy and are the main sources of the state financial revenues. They made or are making great and important contributions to the national economy. Boosting the large and medium-sized enterprises has a bearing on the whole situation in deepening the reform, developing the economy, and maintaining social stability. Thus, it is imperative to resolutely boost them without fail. [passage omitted]

The central group urged the theoretical study central groups of party committees at all levels and the broad masses of cadres to implement the spirit of the circular issued by the General Office of the CPC Central Committee and to earnestly study the modern scientific and

technological knowledge while consciously studying the theory of Comrade Deng Xiaoping with regard to building socialism with Chinese characteristics as well as the theories and basic knowledge of the socialist market economy. The group also urged them to enhance their sense in science and technology and to continuously upgrade their level in the work of making scientific and technological policy decisions as well as urged leading cadres to set example or take the lead in study.

Liaoning Tax Bureau Deputy Director Interviewed

SK1706121794 Shenyang LIAONING RIBAO in Chinese 4 Jun 94 p 2

[Liu Lida, deputy director of the provincial tax bureau, answers questions raised by a reporter on strengthening management over receipts and guaranteeing the smooth implementation of the new tax system—date and place not given]

[Text] [Reporter] After the practice of the new tax system, particularly since the recent period, the criminal activities of lawless people on forging, reselling, and stealing receipts and using receipts to engage in tax evasion, cheating, smuggling, trafficking in smuggled goods, and profiteering have run rampant in some areas across the country, particularly in some coastal areas. What is the situation in our province?

[Liu Lida] Our province also has this situation. Judging from the situation of our province's inspection of the value-added tax special receipts, some problems have existed. The comparatively prominent ones are first, the forging and reselling of receipts. Shenyang and Fuxin have successively investigated and handled this kind of case. Second, the items to be filled in while writing the receipts are not complete; third, some people fail to correctly count the items to be filled in while writing the receipts; fourth, some people write false items in a real receipt which are manifested in arbitrarily writing the names of units or understating the value of items in the receipts and expanding the scope of items to be filled in the receipts.

[Reporter] Recently, the State General Administration of Taxation, the Supreme People's Court, the Supreme People's Procuratorate, and the Ministry of Public Security jointly held a "nationwide telephone conference on launching a special struggle against the law-breaking criminal activities of forging, reselling, and stealing receipts," and decided to launch a special struggle against the law-breaking criminal activities of forging, reselling, and stealing receipts in the whole country. I think this is very necessary.

[Liu Lida] It is very necessary to launch activities on dealing blows to the law-breaking criminal activities of forging, reselling, and stealing receipts.

After the implementation of the new tax system, particularly since the use of value-added tax special receipts, receipts no longer simply serve as a firsthand proof of the

ordinary receipts in the past, as a proof of keeping accounts, and as a basis for tax checkup. More importantly, they serve as a proof for tax payments. The value-added tax special receipts serve as a "chain" holding all commodity circulation links together. When a receipt is written, it implies that this receipt can be served as an income tax payment. If problems occur in any link, this "chain" will break off and taxation will be unable to calculate accurately. In a written instruction on dealing blows to law-breaking criminal activities on forging and reselling receipts, Vice Premier Zhu Rongji pointed out: "Forging the value-added tax special receipts is extremely harmful (even more harmful than making counterfeit banknotes). If we do not put several persons to death (or sentence them to life imprisonment), perhaps, we will be unable to check this trend."

[Reporter] Evidently, the value-added tax special receipts have played a role in tax reduction. This is not only the new distinguishing feature and crux of the value-added tax but also the direct reason for criminal elements to make a reckless move to forge, resell, steal, and write false value-added tax special receipts.

[Liu Lida] Your analysis is correct. Just think. If we fail to manage the special receipts well, great losses of state taxation will surely be created and reform of the tax system will also be a failure. So, we should discard the past concept of managing ordinary receipts, further enhance understanding, regard the management of special receipts as an important means for guaranteeing the smooth implementation of reform of the tax system, and strengthen the sense of responsibility and urgency.

[Reporter] At present, the law-breaking criminal activities of using receipts to engage in tax evasion and cheating have become a common nuisance in society. As far as our province is concerned, what measures should we take to check them resolutely?

[Liu Lida] In line with this special struggle, our tax departments should continue to conduct checkups of the special receipts, unceasingly improve this system, go through the procedures carefully, and explore ways to check up receipts under the new situation. However, this problem involves many sectors, and most of these law-breaking criminal activities are usually carried out covertly. It will be hard to discover and solve them by relying only on the checkups of the tax departments. Therefore, the tax departments must maintain close coordination with the public security, judicial, and procuratorial departments under the guidance and support of the party and government leaders, take joint actions, and establish organs for organizing this special struggle. If the law-breaking criminal acts of forging, reselling, and stealing receipts discovered during the checkup of receipts constitute a crime, the people involved should be transferred to the judicial organs for punishment in an effort to publicize the legal system and to frighten the criminals. Meanwhile, we should pay special attention to receipt propaganda work, enhance the sense of legally

using receipts in the whole society, let the broad masses of people understand the importance of managing receipts and the harmfulness of forging and reselling receipts. In addition, we should also pay attention to mobilizing the enthusiasm of the broad masses of value-added tax payers, and make them voluntarily report the situation of the counterfeits of the value-added tax special receipts on time so that tax departments can accurately keep abreast of the situation in a timely manner.

At present, the special struggle against the law-breaking criminal offenses of forging, reselling, and stealing receipts have been gradually carried out in all localities across the province. I believe that with the support of leaders at all levels and the coordination of the public security, judicial, and procuratorial departments, this work will surely attain its expected aim, the management of receipts will be unceasingly strengthened in our province, and a good environment for guaranteeing the smooth implementation of the new tax system will be created.

Friendship Ties Help Boost Liaoning Industry

*OW2106075894 Beijing XINHUA in English 0745
GMT 21 Jun 94*

[Text] Shenyang, June 21 (XINHUA)—The increasing number of foreign friendship ties has boosted the economy of northeast China's Liaoning Province, according to a local foreign affairs official.

The province has established friendship ties with 61 cities in 16 countries around the world, accounting for 10 percent of the country's total sister cities, according to the official.

It has also sent 1,500 students abroad and invited 130 foreign experts to give lectures and advice on its economic development.

The countries involved include Japan, the United States, Britain, Italy, Russia and the Republic of Korea. Of the 61 sister cities, 15 are Japanese.

The official said that over the past few years the province has received more than 150 visiting foreign delegations and it has sent abroad 120 delegations.

As bridges leading to the outside world, he said, the fast-growing relationships it has established help promote the province's economic development. It has so far signed over 250 contracts for economic co-operation and built 65 joint ventures, involving more than 500 million yuan.

The province has used these ties to import 90 items of advanced equipment for technical transformation projects of old enterprises.

Liaoning has signed letters of intent to form similar ties with ten more foreign cities in the coming years.

Editorial on Li Teng-hui's 'Words and Deeds'

HK1906050894 Hong Kong WEN WEI PO in Chinese 16 Jun 94 p a2

[Editorial: "Watch Out for Li Teng-Hui's Words and Deeds About 'Taiwan Independence'"]

[Text] In a lengthy talk with Japanese writer Ryotaro Shiba (Terukazu Fukuda) in March this year, Li Teng-hui expressed many views unheard before. The most conspicuous ones are: First, the Kuomintang is a "immigrant political power," and second, "the term 'China' is ambiguous." In addition he repeatedly stressed the grief of the Taiwan people. These remarks would not be surprising if they had been made by one advocating Taiwan independence, but they were made by none other than Li Teng-hui, the Kuomintang chairman and Taiwan's supreme leader, to a Japanese writer who stubbornly adheres to a militarist stand, so they cannot but arouse great public concern.

Though their conversation was casual, its theme was quite clear: Li tried to deny the existence of China and that Taiwan is a part of China. He even went so far as to consider himself a "Moses" who will deliver the Taiwan people "from Egypt." What he implied was understood. Since Li is Taiwan's supreme leader, with real power in his hands, if his political and historical philosophy were to be put into practice, it would bring disaster to Taiwan.

Li made a glaring mistake in logic and in practice by describing the Kuomintang as an "immigrant political power," as he himself is Kuomintang chairman, as well as Taiwan's president. He was elected by the "national congress," which together with Kuomintang moved to Taiwan from the mainland in 1949, and he was promoted as "vice president" by Chiang Ching-kuo after he had served the "immigrant political power" for many years. Li described the Kuomintang as an "immigrant political power" in order to deny the rationality of the political power. By doing so, however, he debased his own power and denied the rationality of the Taiwan authorities. This might be a reason why principal media in Taiwan did not report the interview.

His attempt to deny the existence of China is both ridiculous and lamentable. The concept of China or the Chinese nation is clearly defined, which no clown like Ryotaro Shiba can deny. In the early period of this century, China suffered from domestic trouble and foreign invasion, including the invasion of Taiwan by Japanese militarists, but all this is gone, never to return. China now is marching toward modernization, and no one can prevent its rise from oblivion. China is now an important, widely respected member of the international community, and the Chinese nation never has been so united as it is today. The attempt by a few people who alienate themselves from the Chinese nation, forget their own origins, and sing a duet with those disgraceful foreigners who are trying to bring imperialism back to

life can be compared only to a mayfly trying to shake against a giant tree. They ridiculously overrate themselves.

The conversation reflected Li's gloomy ideas in his heart of hearts. It absolutely was no accident that he chose Ryotaro Shiba as his partner in conversation, nor was it that he repeatedly beautified the Japanese invaders' rule over Taiwan. He impudently alleged that "Taiwan independence" would lead to "Tibet and Xinjiang independence," "making it very difficult for Beijing to establish a greater Asia Chinese nation [da zhong hua min zu ya zhou 1129 0022 5478 3046 2469 0068 3166]." For the leader of the Taiwan authorities to express such a view cannot but arouse great concern among the people on both sides of the Taiwan Straits. Since the end of the Cold War, civil war has broken out in a number of countries, such as Bosnia-Hercegovina in Europe, Georgia in the Near East, and most recently in Yemen. The international community is loath to see such turbulence because it can only plunge the people into misery and suffering, and endanger regional security. This also teaches the people of other countries how social security and territorial integrity are important to them. The area of Taiwan is only 35,000 square meters and its economy is of a sea-island type. Taiwan's current economic and social situations have not come easily. It is extremely irresponsible for a person in power to separate Taiwan from the mainland because such an act is against the interests of the Chinese nation, including the Taiwan people, and against the current trend of peace and development.

If the person in power resorts to the former colonialist and foreign forces in trying to split the country, he will drag Taiwan into an abyss and stand condemned through the ages. People on both sides of the Taiwan Straits must maintain high vigilance.

Article Criticizes Li Teng-hui

HK2106071094 Beijing RENMIN RIBAO in Chinese 16 Jun 94 p 4

[Article by Li Jiaquan (2621 1367 3123): "Where Are His Emotions as a Chinese?—Commenting on Li Teng-hui's Conversation With Ryotaro Shiba"]

[Text] Mr. Li Teng-hui said after taking charge of the government in Taiwan: "I am a Taiwanese as well as a Chinese." Li traces his ancestral home to Fujian Province's Yongding County, and he was born and brought up in Taiwan. Indeed, like he says himself, he is a Taiwanese as well as a Chinese, a Chinese who lives in Taiwan. Precisely because he has this kind of status and does not have the burdens known to Chiang Kai-shek and his son, people expect him to play a special and irreplaceable role across the strait, dissolve the "complex" left behind by history, and enable cross-strait relations or the Taiwan question to have a solution which is more reasonable and acceptable to various sides, thus, accomplishing a historic project which is

even greater than the recovery of Taiwan and the "democratization of Taiwan." However, at this moment, people are indeed somewhat disappointed.

Great Revelation of the Secrets in His Heart

Mr. Li Teng-hui's conversation with Ryotaro Shiba is a "great revelation" of the secrets in his heart. It seems that we do not see any feelings of him being a Chinese. In his conversation, he could not help revealing a certain kind of feeling that he missed being "Japanese," an identity which ceased when he was 22 years old. Regarding Ryotaro Shiba's words beautifying the aggressive behavior committed by the Japanese colonialists and imperialists in the past, and words which were hostile and encouraged the dismemberment of China, he listened comfortably and even went along with him and chimed in with him. On the other hand, he talked glibly about the so-called "sorrow of the Taiwan people," and traced the root of this sorrow to the Chinese mainland. He said the Kuomintang was a "regime coming from the outside," and he had doubts about the concept of "China." He even said explicitly that Beijing's idea of the reunification of the two sides of the strait was a "weird dream." In the beginning and at the end of the conversation, he compared himself with Moses, who, according to "Exodus" in the "Old Testament," led the Jews across the Red Sea to their native place to rebuild their houses and farms. His intention is very clear. No wonder many Chinese people on both sides of the strait, as well as overseas Chinese, are "shocked."

What Are the Emotions of a Chinese?

As a Taiwan Chinese, one should understand the sentiments of the people there, and this is beyond reproach. Whether Li Teng-hui has really been able to do this is another matter. But I think that as a Taiwan Chinese, Mr. Li Teng-hui must not only understand the sentiments of the people there, but must also understand the sentiments of all Chinese people, and these two are in fact inseparable. The history of modern China is a history of China being invaded, exploited, and humiliated, and almost all the imperialist countries in the world have committed aggression against China. Situated on China's frontier, Taiwan suffered the most. The people on the mainland felt as if they themselves had suffered. In modern history, the rulers of China were weak and incompetent when dealing with foreign countries, but practiced sanguinary rule at home, and people on both sides of the strait suffered together. Speaking from this sense, the Taiwan people's sorrow is also the mainland people's sorrow, and is the common sorrow of the people on the two sides of the strait. The hearts of the people on the two sides of the strait are completely linked. It is neither adequate nor complete to see only the Taiwan people's sorrow.

The entire modern history of China is, first, a history of conflict between the people and imperialist aggressors, and second, a history of conflict between the people and reactionary rulers. The ceding of Taiwan to Japan by the

Qing court after it lost the 1894 Sino-Japanese War, and the "28 February" incident which took place in Taiwan after its recovery and came under Kuomintang rule, are embodiments of these two major conflicts. Regarding this history, Taiwan's Chinese people should also have a clear understanding; they should not distort the nature and orientation of the conflicts or blame mainland people for the "Taiwan people's sorrow," or attribute that sorrow to a "regime coming from outside" the mainland, or even use it as an excuse to "fight communism and resist peace" and oppose the reunification of the two sides of the strait.

The emotions of the Chinese people on the two sides of the strait are inseparable. In history, the Chinese people on the two sides of the strait, in order to resist foreign aggression, oppose reactionary rule at home, fight for the independence of the Chinese nation, and safeguard the country's sovereignty and territorial integrity, have struggled hand in hand, shed blood and sacrificed, and stepped into the breach as others fell. Bravely and indomitably, they have together written down numerous moving and glorious chapters. This kind of historical and national sentiment, which was crystallized in blood and tear can never be distorted and dispersed by the agitated and emotional words of a few people.

The mainland people are very happy to see the economic achievements made by the Taiwan people in the last several decades. What is strange is that, while Chinese people throughout the whole world are jubilant at the economic achievements made by the mainland over the past several years, some in Taiwan do not feel very comfortable; first, in the economic arena, they have adopted various measures to try to cool down the "mainland craze"; then, in the political arena, they made a fuss over the Qiandao Lake incident, trying hard to distort the feelings of Taiwan compatriots toward the mainland. What is their intention?

Must Not Mislead People's Emotions

Regarding the emotions of the Chinese who are in Taiwan, there is the question of "understanding," as well as a question of "guidance." Whether these emotions can be properly understood and guided is to a great extent determined by whether those in power can properly perceive themselves and history. We have noticed that Mr Li Teng-hui, as a scholar, is quite capable of considering "how to exercise self-restraint," just as he himself said during the conversation, and that he is quite humble and objective when handling matters; in short, he has scientific attitude, and this is precisely one of the important reasons why he has earned "trust" and "respect" from various quarters in Taiwan. However, now, along with the changes in his power and status, just like someone has said, he has become "complacent." This time, when Ryotaro Shiba flattered him by boasting about his "key to grasping politics" and said that he was quite "at home using political strategy," Li immediately told him: "I have been very keen since I was a child," and people even "alleged that I am a military genius!"

Perhaps that is a fact. But judged from history, when a person, especially a political figure, sees only his own role or overestimates his own role, then he begins to make mistakes, as if the world is his and nothing is impossible. He sees himself as a "savior," as if what he "thinks" is what the people "want." The result is divergence from the people, divergence from reality, and breaking his head to the extent of bleeding.

Judged from Taiwan's actual conditions, people are not free from this kind of worry. Since Li Teng-hui took charge of the government in Taiwan, he has indeed done some good things for the Taiwan people, and has made his own contribution to the improvement of cross-strait relations. However, after accomplishing "constitutional reform" with "high proficiency," some unrealistic ideas of his have emerged. Taiwan is an inseparable part of China, and Taiwan people are Chinese people. But recently, a sense of separation with Taiwan as the mainstay has grown infinitely. The so-called "independent sovereignty" theory, "the country of Taiwan" theory, "the nation of Taiwan" theory, the theory of "giving priority to the interests of Taiwan," the theory of the "life commonwealth of Taiwan," the theory of "reinterpretation of sovereignty," the "Republic of China in Taiwan," and the "expedient measure of two China's" have all emerged. During this conversation, Mr. Li Teng-hui explicitly proposed the building of "a Taiwan people's country." Is this a deliberate attempt to "mislead" the people? When one considers that some people on the island worship Li Teng-hui as "Emperor Li," and express Li Teng-hui's "ideas and achievements" as "Li Teng-hui-ism," there is cause for worry.

It is understandable that as Chinese people living in Taiwan, they advocate love for Taiwan, "lifting heads," and "being the master." However, if certain people who have other intentions set love for Taiwan against love for the motherland; set "lifting heads" and "being the master" against the great undertaking of the reunification of the motherland; set the well-being of 21 million people against the long-term and basic interests of 1.2 billion people, that is, the whole nation; separate Taiwan people from Chinese people; and engage in the so-called "Taiwan people's country," then they will jeopardize the basic interests of the entire Chinese people, including those in Taiwan. Furthermore, it is very dangerous to do this as this would bring disastrous results to the 21 million Taiwan people, and the 1.2 billion Chinese people will never allow them to do this.

Chinese People's Affairs Should Be Handled By Chinese People

A Chinese proverb goes: "A fly does not sting an egg which has no crack." Some unresolved "complexes" between the two sides of the strait and some people's speeches which advocate separation or have a separatist tendency, have already given opportunities to certain foreign forces. They fear China's reunification, unity, and prosperity, so they try hard to sow discord between the Chinese people on the two sides of the strait. The

common trick they use is to "restrict Chinese with Chinese" and "separate them to control them." Is it not true that the so-called "restricting the Kuomintang with the Democratic Progressive Party," "restricting the CPC with the Kuomintang," and "restricting reunification with 'Taiwan independence'" are new tricks employed by certain aggressive foreign forces under the new historical conditions? History is a mirror, and individual and political parties alike must guard against being used as a tool by aggressive foreign forces to deal with his own motherland and compatriots.

The affairs of the Chinese people should be settled by the Chinese people themselves. Perhaps, due to personal experience, although Mr. Li Teng-hui admits being a Chinese, he lacks a real and thorough understanding of the Chinese people in Taiwan, and he has even less understanding of the Chinese people on the mainland, nor does he understand the thinkings and emotions of the entire Chinese people. Otherwise, it would be difficult to answer the following questions: The people on the two sides of the strait are Chinese people, but are unable to sit down together to discuss their home affairs, while every effort is made to have foreigners "weigh down" the Chinese. Is this not just the opposite to what people wish? Why cannot the leaders of the political parties or those in power on the two sides of the strait "talk face to face," while with this Japanese, who still harbors a great deal of hostility toward China and cherishes the Japanese occupation of Taiwan, he could sit side by side and talk intimately, sticking to each other like glue?

Why, in front of foreign leaders, can he "lower his body," "speak softly," and even "act humbly" to seek dialogue and communication, but mention "status," cite "price," pursue "equality," and in fact refuse others completely when hearing repeated calls from mainland leaders for dialogue and communication between the leaders of the two sides of the strait? There can only be one answer, that is, "using the external to restrict the internal"; as a result, foreigners reap the benefits.

True Meaning of So-Called "Sovereignty Rests With the People"

Mr. Li Teng-hui has another theory, that is, "sovereignty rests with the people." The intention of preaching "sovereignty rests with the people" is to deal with the CPC's one country, two systems, to negate China's sovereignty over Taiwan, to use it as a banner in an attempt to enter the United Nations, and to create a "Taiwan people's country" which is separate from the mainland. In fact, this is precisely what certain foreign forces want. However, this can never be a way out.

What kind of "people" is the "people" in "sovereignty rests with the people?" Is it a people controlled and misled or a "people" completely free of control and who really understand the actual situation? Is it a portion or a minority of "people" or is it the entire and majority of "people?" These are great topics to be discussed. In history, we see various incidents in which the will of the

"people" has been stolen to serve some people's political ambitions, but, eventually, even though they might have succeeded for a while, they could not escape the punishment of history. What is particularly worth mentioning is that, concerning the big matter of a country's sovereignty, it is never changed by a small number of conspirators who plot the "will of people."

The government and people on the mainland have exercised great restraint toward recent outrageous speeches made by some persons in the Taiwan authorities. Perhaps, because some of them are Taiwan-born people, the mainland has more or less "held back from doing anything against them for fear of involving good people," and this is also not to give foreigners loopholes

to infiltrate. I hope they will not go too far down the road and will not see restraint as weakness with which they can take liberties, as they would be completely wrong.

Finally, I suggest that Mr. Li Teng-hui comes to the mainland to carry out research and inspection in the capacity of an individual. Since he says he can visit various countries in the name of "Dr. Li" or as an "agricultural expert," then why can he not come to the mainland with such a status? Please be aware that it is not feasible to formulate a mainland policy based on "assumptions" and the "emotional" thoughts of a small number of people without understanding the mainland and without understanding the real thoughts and emotions of 1.2 billion Chinese people.

Official 'Not Optimistic' on President's U.S. Tour
OW2006142394 Taipei CNA in English 1326 GMT
20 Jun 94

[By Sofia Wu]

[Text] Taipei, June 20 (CNA)—Vice Foreign Affairs Minister Chen Hsi-fan said Monday [20 June] he is not optimistic about the possibility of President Li Teng-hui's desired visit to the United States.

Fielding questions at a Legislative Yuan committee meeting, Chen said that although several American congressmen have invited Li to visit the United States, the invitation does not represent the American Government's stance.

"Without the US Government's approval, President Li still cannot visit America," Chen noted.

As the US administration still insists on its so-called "one China" policy, he said the chances for Li to visit the United States remain slim.

Chen said the US is expected to finalize a comprehensive review of its policy toward the Republic of China [ROC] at the end of this month, and may allow the ROC to rename its representative office in America to make its presence more conspicuous.

Taiwan's representative office in the US is currently called the Coordination Council for North American Affairs. The ROC has long hoped to change the title to the "Taipei Representative Office."

Barring unexpected developments, Chen said, the US will approve the renaming proposal when it makes public the results of its Taiwan policy review.

Reports from Washington said the Clinton administration may also ease restrictions on high-level contacts with Taiwan in response to mounting congressional calls for upgrading ties with Taipei.

The reports said the United States may not formally announce the lifting of its ban on high-level contacts with Taiwan, but it will instead send suitable ministerial-level officials to visit Taiwan at appropriate times in the future.

In late 1992, then US Trade Representative Carla A. Hills became the highest-level incumbent American official to visit Taiwan since the two countries severed diplomatic ties in 1979.

The reports said the US State Department completed a 60-page review of the country's policy toward Taiwan late last year. The document was, however, then shelved because of escalating tensions between Washington and Beijing over the renewal of the mainland's most-favored-nation trade status. Because the issue has been resolved, the reports said, the Clinton administration is scheduled to publish the review in late June.

Li Teng-hui Willing To Accept Invitation To U.S.
OW2106074494 Taipei CNA in English 0719 GMT
21 Jun 94

[Text] Taipei, June 21 (CNA)—A visit to the United States by Republic of China [ROC] President Li Teng-hui would be beneficial for both countries, Raymond Tai, deputy secretary-general to Li, said Tuesday [21 June].

At a regular press conference at the presidential office, Tai said that Li would be glad to accept the invitation to visit the United States extended to him by U.S. Senator Frank Murkowski (R-Alaska) and Hank Brown (R-Colorado), but that his willingness to visit could not by itself guarantee that a visit will come off, given that the invitation did not come from the Clinton administration itself.

However, a Li visit to the United States would be good for the economic and trade relationship and cultural interflow between the two countries, Tai noted.

Taiwan is the sixth-largest trading partner of the United States and along with the United States is a member of the Asia-Pacific Economic Cooperation Forum, Tai said. He quoted Li as saying that if given the chance, he would also visit Britain, France, Germany, or any place a visit would benefit Taiwan.

Justice Minister To Call on U.S. Officials
OW2006140994 Taipei CNA in English 1314 GMT
20 Jun 94

[By Lilian Wu]

[Text] Taipei, June 20 (CNA)—Justice Minister Ma Ying-jeou will travel to Washington on Saturday to inform US officials that Taiwan no longer intends to pay for the repatriation of illegal Mainland Chinese immigrants ferried by Taiwan boats to the United States or to neighboring countries from which the immigrants can enter the United States, a local newspaper said Monday [20 June].

UNITED DAILY NEWS reported that after attending the National Association of Attorneys General 1994 summer meeting in San Antonio, Texas Wednesday through Saturday, Ma will fly to Washington, where he will hold talks with US officials about the two recent incidents where Taiwan was forced to pay to have mainland immigrants repatriated from Guatemala.

A Taiwan fishing boat carrying more than 100 mainland illegal immigrants last August had sailed straight for Guatemala, and one carrying more than 130 mainland immigrants in April was intercepted by the US Coast Guard off the US coast and towed to Guatemala, where it had been headed anyway. Guatemala repatriated all the immigrants and crew.

Ma will argue that because the illegal immigrants had come from Mainland China and that their final destination was the United States, the issue of repatriation should have been solely between the United States and Mainland China, and that the cost of repatriation should have been borne by the owners of the Taiwan ships.

The skippers of the two boats had promised the mainland immigrants that they could gain easier access to the United States through Guatemala, which maintains diplomatic ties with Taiwan.

An official with Taiwan's Foreign Affairs Ministry said that Taiwan has cooperated with the US by allowing its Coast Guards to inspect the ships in international waters.

He said that though Taiwan has no obligation to pay for the cost of repatriating the mainlanders, Taiwan agreed to do so in the end after pressure from the United States.

He said that the ministry agreed to pay for political and humanitarian reasons, and also to protect the image of the nation.

The official noted that both ships had their operating licenses revoked a long time ago. The boat caught in April had had its operating license revoked in March, but had continued to operate as a driftnet fishing boat, he said.

Ma is also expected to discuss with the US side a US request for assistance in cracking down on international drug rings and the possible signing of extradition agreements.

Taipei's U.S. Office Awaiting Name Change

*OW2006141894 Taipei CNA in English 1338 GMT
20 Jun 94*

[By Flor Wang]

[Text] Taipei, June 20 (CNA)—Vice Foreign Affairs Minister Chen Hsi-fan said on Monday (920 June) that the government has informed Washington about its intention to change the name of its representative office in the United States, but that the U.S. side so far has not replied concretely to Taipei's proposal.

Chen made the remarks at a Legislative Yuan joint committee meeting when Democratic Progressive Party legislator Hsu [words indistinct] questioned him on the designation of the office—currently the Coordination Council for North American Affairs, or CCNAA—while they were discussing Taiwan's plans to sign a copyright agreement with the United States through the office. Chen said the government has proposed that the name of the office be changed to the "Taipei Representative Office," but Hsu said "Taiwan Representative Office" would be a more appropriate name.

Citing Taiwan's representative offices in Japan and Britain, both of which use "Taipei Representative

Office," Chen said it would be easier to obtain U.S. approval to use "Taipei Representative Office" because of the lack of formal relations between the two countries. As Taipei is the capital of the Republic of China [ROC], it is logical to use "Taipei" to designate the nation's representative offices overseas, Chen noted.

Taipei Says Mainland Boat Case Still Unresolved

*OW2006141594 Taipei CNA in English 1346 GMT
20 Jun 94*

[By Sofia Wu]

[Text] Taipei, June 20 (CNA)—The Qiandao [Chien-tao] Lake incident has not been cleared up and justice not served even though Mainland Chinese authorities on Sunday executed the three men convicted in the killings of 32 people, including 24 Taiwan tourists, at the scenic lake in Zhejiang Province in southeastern China on March 31, a mainland affairs official said Monday [20 June].

Su Chi, vice chairman of the Mainland Affairs Council, criticized the mainland's handling of the case, calling it "improper." He said many suspicious aspects about the case have not been resolved.

A news release issued by the mainland's Hangzhou Intermediate People's Court said Wu Lihong, Yu Ajun and Hu Zhihan, who were convicted last week for robbing and setting fire to the tourists and crewmen, were executed at 10:30 A.M. Sunday.

The intermediate court sentenced the trio to death for robbery and murder on June 12. The Hangzhou High Court approved the death sentences Saturday.

Many family members of the Taiwan tourists killed in the disaster insisted that the crimes could not have been committed by only three people, adding that the case is not likely to ever be resolved now that the three men have been executed.

Spokesman: 'Disappointment' Over Boat Case

*OW2006144894 Taipei CNA in English 1414 GMT
20 Jun 94*

[By Bear Li]

[Text] Taipei, June 20 (CNA)—The government spokesman on Monday [20 June] expressed disappointment at the final result of the March 31 lake Qiandao [Chien-tao] murder of 24 Taiwan tourists.

Jason Hu, the director-general of the Government Information Office, said that because many questions regarding the case remain unresolved, it is "an unsettled case with the truth behind it having no chance of being uncovered."

After a brief hearing on Sunday affirming the sentence of the three men convicted for the murders, the men were executed.

"The government is extremely disappointed at the result," Hu said while meeting a group of journalists from Hong Kong.

He said that Beijing cannot call an end to the case because two important issues remain unresolved—compensation for the relatives of the victims and how the mainland will ensure the future safety of Taiwan tourists in the mainland.

He accused Beijing of trying to cover up the truth behind the killings not long after the crime occurred, thus destroying the credibility of its later explanation.

Hu advised Beijing that honesty is the best policy.

Hu said that exchanges between the two sides should be continued even though the incident has inflicted grave damage to cross-strait relations.

Relatives of Lake Victims Receive Insurance Payments

OW2006171494 Beijing XINHUA in English 1544
GMT 20 Jun 94

[Text] Fuzhou, June 20 (XINHUA)—Cai Yuan, general manager of the Fujian provincial branch of the China Youth Travel Service, has entrusted Steven Lin, general manager of Soaring Travel Service based in Taiwan, to pass 2.95 million yuan (330,000 U.S. dollars) of insurance payments to the families of 24 Taiwanese victims of the Qiandao Lake tragedy.

The compensation is being paid by the People's Insurance Company of China.

The family of each victim is receiving 120,000 yuan (13,790 U.S. dollars) under travel accident insurance and 3,000 yuan (345 U.S. dollars) for luggage loss compensation. The insurance was provided by the Fujian provincial branch of the China Youth Travel Service, which organized the group tour together with the Soaring Travel Service.

The agreement on the insurance indemnity was signed on Saturday [18 June] in Fuzhou, capital of east China's Fujian Province, by General Manager Cai Yuan and General Manager Steven Lin.

The 24 Taiwan tourists and eight mainland crew members were murdered on a pleasure boat on Qiandao Lake, a major tourist attraction in east China's Zhejiang Province, on March 31 this year by three robbers.

The three robbers were executed Sunday after going through all legal procedures.

Unification Council To Meet on Cross-Strait Ties

OW2106074194 Taipei CNA in English 0727 GMT
21 Jun 94

[By Sofia Wu]

[Text] Taipei, June 21 (CNA)—The research panel under the National Unification Council (UNC) [as received] will meet Wednesday [22 June] to discuss ways to promote mutual trust between the two sides of the Taiwan strait, a presidential office spokesman said Tuesday.

This will be the first time the UNC research panel has met since the March 31 Qiandao lake travel disaster in Mainland China, in which 24 Taiwan tourists were murdered, said Raymond Tai, deputy secretary-general to the president.

"We hope all UNC researchers will pool their wisdom to work out ways to boost cross-strait mutual trust and rapprochement," Tai, himself a UNC member, told a regular presidential news conference.

The UNC is an advisory body under the presidential office that helps formulate the country's policy and blueprint for China's unification.

After more than four decades of separation, Tai said, Taiwan and the mainland lack mutual understanding and trust even though bilateral civilian exchanges have increased in recent years.

As a result, he said, cross-strait relations have been full of suspicions and misunderstandings, which resulted in bilateral ties coming to an abrupt halt in the aftermath of the Qiandao lake tragedy.

Tai said President Li declared in his new year's message that 1994 will be the year for Taiwan and the mainland to forge mutual understanding and trust to pave the way for future cross-strait cooperation.

"We hope mainland authorities will make a goodwill response to Li's call for the well-being of all Chinese people," Tai said, adding that maintaining steady, peaceful relations is in the interest of both sides.

He also said Li is concerned about the recent floods in southern China and has ordered relevant government agencies to study ways of getting relief aid to the victims there.

Tai refused comment on a wave of sharp personal attacks on Li launched by the mainland media in recent days, saying the presidential office would not respond to such criticism.

The diplomat-turned spokesman said the Republic of China [ROC] has never changed its ultimate national goal of promoting China's reunification.

While seeking to expand its diplomatic frontiers, Tai said, the ROC will continue to forge good will and rapprochement with the mainland.

The ROC has unveiled the national unification guidelines to promote the "phased" development of cross-strait ties and eventual national unification, Tai noted.

Supreme Court Rejects Hijacker's Appeal

*OW1706140294 Taipei CNA in English 1316 GMT
17 Jun 94*

[By Benjamin Yeh]

[Text] Taiwan June 17 (CNA)—The Supreme Court on Friday [17 June] turned back the second appeal of Chang Win-lung who was sentenced to nine years for hijacking a passenger aircraft from Mainland China to Taiwan last year.

Chang hijacked a Boeing 737 with 63 passengers and nine crewmembers on board to the island on June 24 with a toy gun and a knife. He immediately surrendered to police upon landing at Chiang Kai-shek International Airport.

Chang was sentenced to 12 years in jail but had his prison term reduced to nine years in his first appeal to the High Court.

Taiwan is currently holding 15 mainlanders who have forced airliners to Taiwan since April 1993. Fourteen have been given jail terms of up to 13 years. The 15th is still on trial.

Twelve mainland Chinese airliners have been hijacked to Taiwan since April last year, with the latest occurring when a man forced a Boeing 737 with 131 passengers and eight crewmembers on board to Taiwan on June 6.

Taipei has charged Beijing of deliberately allowing the hijackings to take place, likely in a scheme to test Taiwan's air defenses.

Taipei To Help PRC Flood Victims

*OW2106140794 Taipei CNA in English 1350 GMT
21 Jun 94*

[By Benjamin Yeh]

[Text] Taipei, June 21 (CNA)—Taiwan has decided to provide NT [new Taiwan] \$10 million (US\$370,370) worth of food and medicine to Mainland China to help flood victims there.

"The purchase of relief materials is expected to be completed in a week and forwarded to the mainland," said Chang Sung-mao, secretary-general of the Red Cross Society of the Republic of China [ROC].

Chang said he had contacted Sun Bochiu and Qu Zhe, vice presidents of the Red Cross Society's mainland chapter, upon learning of the recent floods.

"They told me that the damage brought by the floods is serious and expressed hope that Taiwan can lend help," Chang said.

According to foreign wire-service reports, 438 people have been killed and 6,470 others injured in six provinces in south China over the past 12 days, with Guangdong and Hunan Provinces being hardest hit. In addition, 480,000 houses have been destroyed and 3 million hectares of rice paddies washed away, with total property losses estimated at US\$2 billion.

Japanese Business Delegation To Visit

*OW2106072294 Taipei CNA in English 0709 GMT
21 Jun 94*

[By Danielle Yang]

[Text] Taipei, June 21 (CNA)—A 14-member Japanese delegation led by Interchange Association Chairman Reijiyo Hattori will come to Taiwan July 7 for a warm-up meeting to December's East Asia Businessmen's Conference.

Koo Chen-fu, the conference's ROC [Republic of China] committee chairman and also leader of the 20-member Taiwan group, will represent Taiwan at the July 7-8 meeting at Tahsi in northern Taiwan.

During the meeting, the two sides will discuss how Japanese machinery, electronics, and auto industries make investments in and transfer technology to Taiwan, as well as the possibility for ROC-Japanese technological cooperation in investing in third countries.

The annual East Asia Businessmen's Conference is held alternately in Tokyo and Taipei, with an aim to promote civilian contacts between the two countries. The 1994 conference will be held in Tokyo.

Meanwhile, a Japanese delegation is scheduled to come here in early July to attend a meeting sponsored by the Coordination Council on Sino-Japanese Business Affairs, at which the two sides will make their annual schedule to promote cooperation between small and medium businesses in the two countries.

Swazi Premier Arrives for Visit, Medical Checkup

*OW2006143194 Taipei CNA in English 1348 GMT
20 Jun 94*

[By Benjamin Yeh]

[Text] Taipei, June 20 (CNA)—Swazi Prime Minister Prince Jameson Mbilini Dlamini accompanied by his wife, flew into Taipei on Monday [20 June] at the start of an eight-day official visit.

While here, Mbilini will visit President Li Teng-hui, Premier Lien Chan, the Council of Agriculture, the Council of Labor Affairs, the Central Bank of China, and the Ministry of Economic Affairs.

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Mbilini also will undergo a medical checkup at National Taiwan University Hospital before his departure on June 27.

Foreign Minister Chien Visits Vatican

*OW2106073794 Taipei CNA in English 0713 GMT
21 Jun 94*

[By Sofia Wu]

[Text] Taipei, June 21 (CNA)—Foreign Affairs Minister Chien Fu has ended his American tour and flown to the Vatican for a visit, a Ministry of Foreign Affairs official said Tuesday [21 June].

Chien is the first Republic of China [ROC] foreign minister to visit the Vatican in more than 10 years. The Vatican is the only European country that maintains diplomatic relations with the ROC.

During his stay in the city-state, Chien will chair an annual meeting of ROC officials stationed in Europe to review their work over the past year and to chart new courses for future work. Chien will then visit several European countries with which the ROC does not have formal ties, the official said. He, however, declined to reveal Chien's itinerary and with which European officials Chien plans to meet. "Chien will brief the press on his European tour after he returns on July 4," said the official, who requested anonymity.

Chien left for the U.S. on June 15 to attend a seminar in Beaver Creek, Colorado on major international concerns at the invitation of former U.S. President Gerald Ford. After the meeting, Chien visited his married daughter, who lives in the United States. He left for the Vatican Monday (American time).

Taipei 'Likely' To Sell 208 IDF Fighters Abroad

*OW2106140494 Taipei CNA in English 1357 GMT
21 Jun 94*

[By Bear Li]

[Text] Taipei, June 21 (CNA)—Taiwan is likely to export 208 Ching Kuo jets, also known as Indigenous Defense Fighters (IDFs) to foreign countries between 1997 and 2010, General Lin Wen-li, director of the Aero Industry Development Center (AIDC), said Tuesday [21 June].

The exports, if achieved, would give Taiwan a 12-percent share of the world market of IDF-type fighters, Lin, formerly commander-in-chief of the Air Force, said. He said that it is the goal of the AIDC to export the locally made aircraft. "Although it's surely the way the AIDC has to go, an export license from the United States and permit from the government are still necessary."

The AIDC, with technological assistance from the United States, is producing two IDFs monthly. The

cooperative relationship calls for Taiwan to get American approval before it can sell the aircraft abroad. He said that a squadron of 24 IDFs will be delivered to the Air Force as scheduled by the end of this year, greatly beefing up Taiwan's air defense capability.

Each IDF costs US\$24 million to make, but Lin said that could be lowered to US\$22 million in the future with accumulated experience and improved operations of the AIDC. Lin said the AIDC is responsible for designing and producing the bodies of the IDFs, 50 percent of its generators and less than [word indistinct] percent of its electronic equipment, with the remaining parts being supplied by the United States. He said that although the local content rate could be raised further in the long run, that goal would be difficult to achieve anytime soon under the agreement reached with the United States.

He said that several foreign aircraft producers, including McDonnell Douglas and Boeing of the U.S., British Aerospace plc and Dassault of France, have approached the AIDC about the possibility of joint production of commercial planes even though the AIDC at the moment is incapable of making such planes. Lin said, however, that the AIDC will aggressively seek to sell components and parts or establish relationships with foreign airplane makers to jointly develop commercial aircraft.

The AIDC, formerly controlled by the Cheng-shan Institute of Science and Technology, will soon become the first state-run company under the Defense Ministry.

CEPD Gives Economy 'Green Light' in May

*OW2106073694 Taipei CNA in English 0716 GMT
21 Jun 94*

[By Danielle Yang]

[Text] Taipei, June 21 (CNA)—The economy is expected to flash a green light in May for the sixth month in a row, according to a preliminary index used by the Council for Economic Planning and Development (CEPD) to measure Taiwan's business activity. The CEPD estimated that the index would stand at 26 for May—about the same level as April.

The CEPD, Taiwan's highest economic planning agency, uses a five-color rating system to measure economic prospects. A red light means the economy is overheated, yellow-red signals brisk economic growth, green indicates steady expansion, yellow-blue shows economic slowdown, and blue means recession.

A CEPD official said despite lackluster production capability and exports for the month, the economy would get a green light on the strength of the booming stock market.

Institute Predicts 2d Half Growth of 6.26%

*OW2106135594 Taipei CNA in English 1347 GMT
21 Jun 94*

[By Debbie Kuo]

[Text] Taipei, June 21 (CNA)—Taiwan's economy is expected to grow 6.26 percent in the second half of this year, compared with an estimated 5.52 percent for the first half year, the Taiwan Institute for Economic Research reported Tuesday [21 June].

A host of factors, including stronger exports, the depreciation of the new Taiwan dollar, lower bank lending rates, and ongoing public-development projects, will push up the overall economic growth in the second half of the year, leading to a growth rate for the year of 5.9 percent, institute researchers said. An even brighter picture is predicted for 1995 if growth in exports and private investment, among other sectors, continues, the researchers said. The institute also said that the private sectors will fare much better economically than the government in coming months.

The growth in private consumption is expected to increase 7.4 percent in the second half year, compared with a drop of 0.56 percent for the government. Private investment should jump by 12.65 percent, while public investment financed by the government will grow a mere 1.73 percent during the same period. Meanwhile, service and merchandise exports are expected to increase 7.38 percent while imports should jump 7.34 percent, the institute said.

The institute also predicted that Taiwan's consumer and wholesale prices will surge 3.77 percent and 1.93 percent, respectively, in the second half of the year.

Service Markets To Open to Foreign Competitors

*OW1706124694 Taipei CNA in English 0754 GMT
17 Jun 94*

[By Sofia Wu]

[Text] Taipei, June 17 (CNA)—Taiwan will open its service markets wider to foreign competitors in exchange for a longer period of time for adjustment of its farm-trade regulatory system with a view to facilitating its entry into the General Agreement on Tariffs and Trade (GATT), senior government officials said Friday [17 June].

The decision was made Thursday during a meeting of a cabinet-level task force responsible for working out the government's GATT negotiation strategy and coordinating different views of different government agencies on GATT-related issues, the officials said.

"Further liberalization of service industries will benefit our bids to join GATT and to become a regional operation center in East Asia," said Hsiao Wan-chang,

chairman of the Council for Economic Planning and Development, who chaired the panel meeting.

Hsiao said the government is working on a list of services to be open to foreign competitors after Taiwan joins GATT. "The list will cover items required by GATT and our major trade partners," Hsiao noted, adding that the list will be finalized at the end of June.

"Taiwan will benefit from the service-market opening, as free competition will speed up progress in our service sector," Hsiao explained. "Moreover, we hope greater liberalization in this field will increase our bargaining chips in farm-trade negotiations with GATT members."

Taiwan has agreed to remove some nontariff restrictions on farm trade, such as area and quota restrictions, Hsiao said. "Nevertheless, we hope we'll be allowed to keep such restrictions for a specified period of time for some major agricultural items to enable our farmers to adapt themselves to market-opening challenges," he added.

The interministerial task force also reached on Thursday several other groundbreaking decisions that are expected to accelerate Taiwan's accession to the Geneva-based world trade regulatory body, said Huang Yen-chao, director-general of the Board of Foreign Trade.

Among others, Huang said, the Ministry of Finance will within two months work out a detailed plan for restructuring the country's decades-old wine and tobacco monopoly system in line with GATT regulations.

The government will further lower tariff rates for some agricultural and industrial products to meet the demand of some GATT contracting parties, Huang said.

Taiwan will also start to negotiate with GATT members the opening of its public construction and procurement projects to foreign bidders and is determined to sign a multilateral agreement on such projects after it enters GATT, Huang said.

"We'll inform GATT authorities of these new decisions next week so that the GATT working party screening Taiwan's membership application can set the agenda for its next meeting scheduled for late July," Huang explained.

The working party has already held five multilateral meetings to discuss Taiwan's market-opening and trade-reform measures. Taiwan has also held bilateral tariff-concession talks with 15 GATT members, including New Zealand, Australia, Canada and the United States. It is scheduled to hold similar talks with Singapore, Hong Kong, the 12-member European Union, Argentina and north European countries in July.

Taiwan applied to join GATT as a separate customs territory in January 1990 and hopes to be admitted as a full member by the end of this year to qualify it to become a founding member of the World Trade Organization, which will supersede GATT early next year.

Government Should Consider Abolishing Bond Tax

*OW2006141994 Taipei CNA in English 1333 GMT
20 Jun 94*

[By Y.C. Tsai]

[Text] Taipei, June 20 (CNA)—Liang Kuo-shu, governor of the Central Bank of China, suggested Monday [20 June] that the government consider abolishing or lowering the bond-transaction tax in a new attempt to revitalize the domestic capital market.

Trading of corporate bonds and treasury bills is currently subject to the imposition of a 0.1 percent transaction tax, while transactions on government bonds are not subject to a tax.

The lowering or lifting of the bond-transaction tax would help induce more foreign funds to pour into the Taiwan bond market and thus boost overall financial activities, Liang noted.

The governor made the statement at a seminar on the economy sponsored by Academia Sinica, the highest academic body in Taiwan.

Stressing that the Central Bank welcomes investment from abroad, he said four other conditions were necessary for Taiwan to open up its capital markets: Making government debts publicly known; narrowing differences in financial conditions —such as the difference in interest rates—between Taiwan and foreign countries; introducing measures to help insure export-oriented manufacturers against risks; and overhauling of the domestic stock market.

Bond-market traders reacted positively toward Liang's suggestion on the bond tax, [words indistinct] the proposed measure would greatly push up the circulation of corporate bonds and treasury bills, transactions of which have nearly come to a standstill as of late.

Trade volume on the bond market, though reaching trillions of new Taiwan dollars, comes mainly from transactions of government bonds, while most corporate bonds and treasury bills are kept by banks and insurance companies as reserves, the traders explained.

Meanwhile, Liang said he has great confidence that Taipei can gradually be turned into an Asia-Pacific financial hub, with the first step being to become a regional funding center.

In its ambition to become a financial center, Taipei aims to play a complementary role rather than replace other hubs in this part of the world, he elaborated.

To fit into the government's financial-internationalization strategy, he said, the central bank will also place a top priority on enlarging the presence of foreign banks in Taiwan, a move expected to bring in more and better financial services.

Ministry Predicts Export Losses, Mainland Responsible

*OW2006073094 Taipei CNA in English 0639 GMT
20 Jun 94*

[By Sofia Wu]

[Text] Taipei, June 20 (CNA)—Taiwan may lose about 20 percent of its export markets to Mainland China in the next five years, according to a study by the Ministry of Economic Affairs.

The report, to be presented in a mainland affairs meeting to be held early next month, says competition between Taiwan and the mainland will become increasingly fierce, with Mainland China likely to take over U.S.\$17 billion worth of Taiwan's export markets, or 20.56 percent of Taiwan's total export value registered in 1993.

Competition in wooden, bamboo, nonmetal furniture and miscellaneous industries will be strongest, the report says, adding that as high as 70.1 percent of Taiwan's markets in these fields may be lost to the mainland.

Mainland China may also snatch 40 percent of Taiwan's garment and costume accessories markets in the next few years, the report warns.

It points out that because Mainland China has cheap labor and rich natural resources, its export competitiveness has grown rapidly in recent years, particularly in some labor-intensive industries.

The mainland will become even more competitive in some technology-intensive industries after 1997 when Hong Kong will revert to its rule, the report says.

Taiwan's electronics, machinery, automobile and motorcycle makers will face ever stronger competition in the years ahead, the report adds.

Exports to Europe Down in First Quarter

*OW2006073794 Taipei CNA in English 0644 GMT
20 Jun 94*

[By Danielle Yang]

[Text] Taipei, June 20 (CNA)—Taiwan imported U.S.\$33.64 million worth of auto parts and components from Europe in the first quarter of this year, up 52 percent from the same period of 1993, according to statistics released by the Ministry of Economic Affairs Monday [20 June].

During the three-month period, imports of stainless steel increased the most of any European import over last year's first quarter, growing 180 percent, followed by a jump in machinery imports of 65 percent, the statistics showed.

However, Taiwan's exports to Europe mostly declined during the January-March period. Toys and recreational equipment registered the largest decline of 25.9 percent

to total only U.S.\$113.98 million. Plastic product exports decreased 22.1 percent, and bicycle exports fell 1.8 percent.

Meanwhile, Taiwan's exports to the European Union alone decreased during the first five months of 1994, but increased to those European countries that are not part of the EU, data compiled by the Euro-Asia Trade Organization (EATO) showed.

Taiwan exports to the EU totaled U.S.\$4.619 billion, down 7 percent, while exports to non-EU European countries totaled U.S.\$716.1 million, up 5 percent from the same period of 1993.

Among EU countries, exports to Ireland grew 19.6 percent, exports to Denmark increased 9.8 percent, and exports to Britain increased 2 percent, according to the EATO data. Exports to the remaining EU countries declined.

International Drug Trafficking Ring Cracked

*OW2006142194 Taipei CNA in English 1319 GMT
20 Jun 94*

[By Debbie Kuo]

[Text] Taipei, June 20 (CNA)—The Investigation Bureau announced Monday [20 June] that an international drug-trafficking ring involving both Japanese and Taiwanese was cracked Sunday, with more than 150 kilograms of amphetamines being seized.

Five Japanese, including an underground gang member and four fishing boat crewmembers, were arrested Sunday while trying to smuggle the 151 kilograms of high-grade amphetamines through Kagoshima port in Kyushu, Japan. Simultaneously, four Taiwanese, including two traffickers and two dealers, were apprehended in Taiwan, Wang Hua-fu, a spokesman for the bureau's Taipei headquarters, said.

Wang said bureau officials had teamed with Japanese police for three months in trying to crack the drug ring, which bought amphetamines in Mainland China and then smuggled the shipments to Japan via Taiwanese and Japanese fishing boats. According to Wang, the ring, which was supported by Japanese organized crime syndicates, had smuggled several metric tons of amphetamines from Mainland China to Japan over the last eight years. Amphetamines have become a popular drug among the middle and lower classes in Japan, and prices

for it have been surpassing that of heroin. The amphetamines seized Sunday have a street value of US\$55.55 million [words indistinct].

This was the biggest anti-drug-smuggling operation mounted by Taiwan since a national anti-drug conference was held here earlier this month.

Study Finds Rice Farmers at Risk From Market Opening

*OW2106072394 Taipei CNA in English 0659 GMT
21 Jun 94*

[By Y.C. Tsai]

[Text] Taipei, June 21 (CNA)—Domestic farmers will suffer greatly from Taiwan's entry into the General Agreement on Tariffs and Trade (GATT), according to a study published Tuesday [21 June]. The study, conducted by Professor Peng Tzuo-kuei of National Chung Hsing University under the Commission of the Council of Agriculture, found that the opening of the domestic rice market could mean an income loss to farmers of at least 20 percent within six years.

Taiwan must gradually open its various markets to smooth its bid to join GATT, which is expected by the end of the year. The government is currently mulling over how best to accomplish a rice-market opening in line with GATT while sparing Taiwan rice farmers extensive harm.

Professor Peng's study says that if Taiwan adopts the "Japanese formula," which allows rice imports of up to 4 percent of domestic consumption in the first year of market opening and gradually increases the imports to 8 percent in the sixth year, farm losses could top NT [New Taiwan] \$2.6 billion (US\$95.94 million) by the year 2000. If the "Korean formula" is adopted, the study says, Taiwan farmers are expected to suffer a loss of NT\$3.2 billion (US\$118.08 million) by the year 2004. Under the Korean formula, rice imports will account for only 1 percent of domestic consumption in the first year of market opening and the import ratio will rise to 4 percent in the 10th year. Farm losses will be even higher if expected reductions in government farm subsidies were included in the figures, the study notes.

The professor recommended that the government lower its guaranteed purchase price of rice by 20 percent in six years to comply with the GATT Uruguay round codes reached last December. The study was the first analysis of the negative impact the opening of the rice market will have on Taiwan farmers.

Hong Kong

Sino-UK Liaison Group's 29th Meeting Opens

Follows 6 Month 'Suspension'

OW2106041994 Beijing XINHUA in English 0354
GMT 21 Jun 94

[Text] Hong Kong, June 21 (XINHUA)—The 29th meeting of the Sino-British Joint Liaison Group (JLG) opened here today after a half-year suspension.

Prior to the meeting, both sides expressed the hope that they can make some progress through the meeting.

Guo Fengmin, senior representative of the Chinese side, said the JLG should speed up its work, however that requires efforts from both sides.

"There are only three years left between now and 1997 and there are a lot of problems for the JLG to discuss."

He revealed the Chinese side would bring some subjects for the discussion of JLG at this meeting. The objective is to ensure a smooth transition in Hong Kong.

British senior representative H. L. Davies said, "we can use the next three days to advance things as fast as we can."

He also said, "when we met in London, the weather was not very good. I am glad to say today's weather is sunshiny. The forecast for the next three days is even better so I am confident we will make progress."

The Chinese senior representative said in reply, "let's join our efforts." The previous JLG meeting was held in London between December 7 and 9 last year. It was reported that the current meeting will focus such subjects as military land issue, localization of laws and passport issue.

Committee Meeting Scheduled

OW2106092394 Beijing XINHUA in English 0908
GMT 21 Jun 94

[Text] Hong Kong, June 21 (XINHUA)—The Airport Committee of the Sino-British Joint Liaison Group (JLG), will be held Friday [24 June] this week.

This was announced by the senior representatives from both sides of the Sino-British Joint Liaison Group at the end of their first day meeting, which started at 09:30 [0130 GMT] this morning and lasted for more than four hours.

After the meeting, Guo Fengmin, senior representative of the Chinese team of the JLG, said, "we had a useful meeting this morning and will continue our talks tomorrow and in the following day."

His British counterpart H.L. Davies said this morning's meeting covered a wide range of subjects and achieved "excellent progress".

In reply to a question that whether the Chinese and British sides have a gap on the airport issue, he said, "I don't think the gap is too great. I think it is achievable."

XINHUA Domestic on Meeting

OW2106093294 Beijing XINHUA Domestic Service
in Chinese 0840 GMT 21 Jun 94

[By reporter Sun Chengbin (1327 2110 2430)]

[Text] Hong Kong, 21 Jun (XINHUA)—The 29th meeting of the Sino-British Joint Liaison Group [JLG] opened here today after a half-year suspension. The two sides agreed to hold an airport committee meeting this week.

Guo Fengmin, senior representative of the Chinese side, said prior to the meeting: There are only a little over three years left between now and 1997, and there are a lot of problems for the JLG to discuss. The JLG should speed up its work; however, that requires efforts from both sides. He said the Chinese side would bring up some subjects for discussion by the JLG at this meeting, and the objective is to ensure Hong Kong's smooth transition.

Today's meeting lasted more than four hours. After it was over, the two sides announced they had agreed to hold an Airport Committee meeting of the Sino-British JLG on 24 June.

It has been reported that the current meeting will last three days, and the two sides will discuss such subjects as the military land issue, localization of laws, public servants' retirement pensions, and the HKSAR [Hong Kong Special Administrative Region] passport issue. The previous JLG meeting was held in London from 7 to 9 December last year.

Spokesman Criticizes Moves on Information Access

HK1806064094 Hong Kong SOUTH CHINA MORNING POST in English 18 Jun 94 pp 1, 2

[By Chris Yeung and Linda Choy]

[Text] China yesterday stepped up its attack on a move by the Government to increase its openness, claiming the proposal violated the Sino-British Joint Declaration.

A Foreign Ministry spokesman said the unilateral move involved "major changes to the operation of government departments in Hong Kong, which is detrimental to Hong Kong's smooth transition".

Chief Secretary Anson Chan Fang On-sang disagreed and said: "We do not see that there is any contravention of the Joint Declaration". Mrs Chan on Thursday unveiled a code of practice detailing what information the public would have access to, although the code has no

legal backing. It is not expected to be fully implemented until 1996. The proposal, she said was "simply a further move towards making the whole machinery more transparent in accordance with the wishes of the community".

A government spokesman said the measures would "contribute to a smooth transition by responding effectively to developing public expectations". He said: "It is premature to make specific judgments about the effect on the operation of government. But a central objective will be to improve the efficiency of the civil service and enhance the accountability of the Government."

Supporters of the call for a freedom of information act rejected the measures as inadequate.

Foreign Ministry spokesman Shen Guofang said "the so-called package of measures to further enhance the public's access to information" involved major changes over how the executive branch would be operated. Those matters should be discussed by the Sino-British Joint Liaison Group (JLG) in accordance with the 1997 agreement, he said.

"The unilateral move by the British Hong Kong Government without prior consultation and agreement with China is unacceptable to the Chinese side," Mr Shen said. The Joint Declaration says the JLG should discuss matters relating to the smooth transfer of government in 1997.

A senior mainland official insisted that the proposal would bring about a "major impact" on the existing internal operation of the Government. "To say the least, it will adversely affect the efficiency of the Government," he said.

"At present, the Government can do whatever it wants to without having to publicise information. Under the proposal, it will have to prepare a set of information that the public can have access to.

"We have to take on board the fact that there's only three years to go (before 1997). It will increase uncertainty if you bring about a lot of changes to the system." The official said the move was a government plan to institute changes to the system of the post-1997 government.

United Democrat Martin Lee Chu-ming said he could not see any provision in the Joint Declaration that would not allow Hong Kong to set up a human rights commission and access to information rules. Mr Lee said China's reaction reflected a different interpretation of law. The party yesterday urged Governor Chris Patten to give the go-ahead for the access to information law.

Legislator Christine Loh Kung-wai urged China to explain how the Joint Declaration had been violated. She said Hong Kong had been promised the principle of "one country, two systems" under which it should be allowed to introduce policies according to the society's needs.

Government 'Not to Back Down'

*HK1906082394 Hong Kong SUNDAY
HONGKONG STANDARD in English 19 Jun 94 p 2*

[By Michael Smith]

[Text] The government has vowed not to back down on moves to improve public access to official information despite China's confirmation yesterday it would dissolve the new measures after 1997. Meanwhile legal experts have told the government the package of measures does not go far enough nor comply with Hong Kong's Bill of Rights.

Secretary for Home Affairs Michael Suen told the Sunday Hong Kong Standard yesterday that it was up to Beijing to bring forward its concerns to the government. "I think the initiative does not lie with us," Mr Suen said. "We have taken the first step and informed them."

The government announced last week it would give individuals access to their personal files and establish a British-style code of practice covering the release of official data. But Chinese officials—who were not consulted over the move—lashed out on Friday, warning the measures breached the Joint Declaration. Deputy director of Xinhua News Agency Cheung Kwok Hung reiterated last night that China had not been consulted on the proposals, which Beijing would dissolve after 1997. "If there is such a great change of policy without discussion with the Chinese side, we will not accept it," he said.

Mr Suen played down the latest rift in Sino-British relations and said consultations would resolve the problem. "I think all they (China) are saying is that they need to be consulted," Mr Suen said. "That should allay any fears. It is a whole package of measures which will improve the efficiency of the civil service, something I believe both governments want."

The government's package, which does not go so far as to give Hong Kong people a legal right to obtain information on government operations, has angered key backers of Freedom of Information legislation who say the proposals are toothless. Senior Hong Kong lecturer in constitutional law Nihal Jaywickrama said Section 16 of the Bill of Rights gives people the right to seek information. "When you create the right to seek information from the government there is a corresponding right by the government to provide that information," he said. Dr Jaywickrama said there would be grounds for a court battle if an individual was refused information by the government. "But the government is securely protected by those exorbitant (court) fees," he said.

Mr Suen disagreed. "There is no obligation for an unwilling party to give information," he said.

'Clerical Error' Has 'No Impact' on Validity of Laws

HK2006065294 Hong Kong *SOUTH CHINA MORNING POST* in English 20 Jun 94 p 3

[By Connie Law]

[Text] A delay in the completion of the formalities for some amendments to the Letter Patents and Royal Instructions has made no impact on the validity of the laws passed since February last year the Government said.

The SUNDAY MORNING POST reported yesterday that, as a result of a clerical error in the Foreign Office, changes allowing John Swaine to replace the Governor as President of the Legislative Council [Legco] last year had not undergone the essential steps of becoming law—believed to include being signed by the Queen—when they were gazetted on February 18 and 19, 1993. Constitutional experts said this suggested the gazettal was invalid and would mean that Mr Swaine lacked the legal authority to preside over Legco, raising doubts about the validity of the 125 laws passed since then.

The laws include the two Budgets, the first part of the 1994/95 electoral reforms, the Western Harbour Crossing Ordinance and the Boundary and Election Commission Ordinance.

But a Government spokesman said yesterday the amendments were "approved by Her Majesty at the Privy

Council meeting on December 19, 1992". It is understood that the Queen approved the amendments in draft form only.

The spokesman said: "Although the two sets of amendments were published in the Hong Kong Gazette before the residual formalities were completed, Her Majesty's Government was satisfied that this would have no effect on the validity of any acts by the Hong Kong Legislative Council."

A legal source said the issue was about "the legal meaning of an amendment being made to the Letters Patent and the Royal Instructions".

The British Government's position was that it accepted the Queen's signature on the draft as sufficient.

The source said it remained to be seen whether this was a correct statement of the law and it was unacceptable for doubts to linger over the effectiveness of amendments to the Letters Patents.

Legislators are set to query officials of the Constitutional Affairs Branch on the issue today.

United Democrat chairman Martin Lee Chu-ming said he wanted a clarification from the administration. He noted that anyone with an interest in one of the 125 laws could challenge their validity which would be disastrous.

His colleague Simon Ip Sik-on said they had to get the full details first.

"I don't think it is a simple issue," he said, adding that it was unwise to rush to conclusions.

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